

The New _____ **INTERNATIONAL**

The Counterfeit Concept of Countervailing Power

By T. N. Vance

Origins of Crisis in American Socialism

By Albert Gates

TWO REVOLUTIONS: A Review of Isaac Deutscher — II

By Max Shachtman

France and American Foreign Policy

By Abe Stein

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The Counterfeit Concept of Countervailing Power

The key to the psychology of mid-twentieth century capitalism is the fear of depression. This fear, or sense of insecurity, has been a basic fact of political and social life since the crisis of 1929. Any economist who has any claim whatsoever to being a theorist has been forced to attempt an explanation of the reasons for depressions and, above all, to reassure himself and society at large that there is no need to fear a recurrence of severe depression.

John Kenneth Galbraith—currently Professor of Economics at Harvard University and author of *American Capitalism: The Concept of Countervailing Power**—is no exception. As a matter of fact, he begins by stating:

The present organization and management of the American economy are also in defiance of the rules—rules that derive their ultimate authority from men of such Newtonian stature as Bentham, Ricardo and Adam Smith. *Nevertheless it works, and in the years since World War II quite brilliantly.* The fact that it does so, in disregard of precept, has caused men to suppose that all must end in a terrible smash. . . . It is with this insecurity, in face of success, that this book, in the most general sense, is concerned. (Italics mine—T. N. V.)

The reason, consequently, that Galbraith's concept of countervailing power has created somewhat of a stir in certain academic and liberal circles

is that he has written a book aimed at reassuring the bourgeoisie and its supporters that there is really nothing much to worry about, that capitalism is functioning on the whole quite well, and that this is almost if not quite the best possible of all possible worlds. The difficulty, according to Galbraith, is that all classes in society have been victims of false or outmoded economic theories. All that is necessary is to change the theory, accept the validity of countervailing power, and *presto chango* the fear of depression will disappear.

While this represents a rather touching tribute to the power of ideas in molding men's lives, it constitutes a real distortion of how ideas develop and how they influence the evolution of society. The entire presuppositions of Galbraith's theory are laid bare by the following extensive quotation from the end of his first chapter:

Here then is the remarkable problem of our time. We find ourselves in these strange days with an economy which, on grounds of sheer physical performance, few are inclined to criticize. Even allowing for the conformist tradition in American social thought, the agreement on the quality of the performance of American capitalism is remarkable. The absence of any plausibly enunciated alternative to the present system is equally remarkable. Yet almost no one feels secure in the present. The conservative sees an omnipotent government busy altering capitalism to some new, unspecified but wholly

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unpalatable design. Even allowing for the exaggeration which is the common denominator of our political comment and of conservative fears in particular, he apparently feels the danger to be real and imminent. At any given time we are but one session of Congress or one bill removed from a cold revolution. The liberal contemplates with alarm the great corporations which cannot be accommodated to his faith. And, with the conservative, he shares the belief that, whatever the quality of current performance, it is certain not to last. Yet in the present we survive. With the present, given peace, no one is intolerably unhappy.

It can only be that there is something wrong with the current or accepted interpretation of American capitalism. This, indeed, is the case. Conservatives and liberals, both, are the captives of ideas which cause them to view the world with misgivings or alarm. Neither the structure of the economy nor the rôle of government conforms to the pattern specified, even demanded, by the ideas they hold. The American government and the American economy are both behaving in brazen defiance of their rules. If their rules were binding, they would already be suffering. The conservative, who has already had two decades of New and Fair Deals would already be dispossessed. The liberal, who has already lived his entire life in an economy of vast corporations, would already be their puppet. Little would be produced; we should all be suffering under the exploitation and struggling to pay for the inefficiency of monopoly. The fact that we have escaped so far means that the trouble lies not with the world but with the ideas by which it is interpreted. It is the ideas which are the source of the insecurity—the insecurity of illusion.

Whether the average individual is as worried as Galbraith thinks he is about the possibility or imminence of depression, is difficult to ascertain. Galbraith's worry, however, is genuine. It stems from the destruction of the economic foundations of American liberalism. Capitalist liberalism historically was a nineteenth century phenomenon. With the growth of state monopoly capitalism and of monopoly in general the base of liberal-

ism narrowed until it has reached the point where it has virtually disappeared and genuine liberals are as scarce as hen's teeth. Sooner or later economic theory must correspond to the facts of economic life. In other words, the superstructure, *i.e.*, the world of ideas, flows from the foundation, *i.e.*, the reality.

Liberalism is the child of competitive capitalism, of free enterprise in the true sense of the term. As competition decreased and monopoly grew, it became increasingly difficult for liberals to maintain a theory of liberalism.

Such a theory was badly in need once capitalism entered the stage of permanent crisis following the first world war—and once the authoritarian theories of fascism and Stalinism became fashionable. In the 1930's the man who saved the day for the liberals was John Maynard Keynes—an English banker who became *the* bourgeois theorist of the depression era. For it was Keynes who provided the rationale, the justification for state intervention which was absolutely indispensable for the survival of capitalism. In the process, Keynes demolished his predecessors, the classicists and neo-classicists alike.

In an interesting chapter, entitled "The Depression Psychosis," Galbraith displays a rather penetrating understanding of Keynes' rôle. He states:

The ideas which interpreted the depression, and which warned that depression or inflation might be as much a part of the free-enterprise destiny as stable full employment, were those of John Maynard Keynes. A case could easily be made by those who make such cases, that his were the most influential social ideas of the first half of the century. A proper distribution of emphasis as between the rôle of ideas and the rôle of action might attribute more influence on modern economic history to Keynes than to Roose-

vult. Certainly his final book, *The General Theory of Employment, Interest and Money*, shaped the course of events as only the books of three earlier economists—Smith's *Wealth of Nations*, Ricardo's *Principles of Political Economy* and Marx's *Capital*—have done.

The development of mass unemployment during the Great Depression of the 30's not only demanded state intervention to preserve capitalism, but demolished the classical theories of free competition that had presumably guided the actions of the American bourgeoisie until that time. Keynes' system permitted acknowledgment of the existence of unemployment, predicted its development, and appeared to provide a solution to the problem. To quote Galbraith:

The major conclusion of Keynes' argument—the one of greatest general importance and the one that is relevant here—is that depression and unemployment are in no sense abnormal. (Neither, although the point is made less explicitly, is inflation.) On the contrary, the economy can find its equilibrium at any level of performance. The chance that production in the United States will be at that level where all, or nearly all, willing workers can find jobs is no greater than the chance that four, six, eight or ten million workers will be unemployed. Alternatively the demand for goods may exceed what the economy can supply even when everyone is employed. Accordingly there can be, even under peacetime conditions, a persistent upward pressure on prices, *i.e.*, more or less serious inflation.

Full employment, which the classicists assumed, did not exist. It was so remote that Keynes relegated it to the status of a special and rare case in equilibrium analysis. More often than not, asserted Keynes, the economy would achieve an equilibrium below the level of full employment. This, of course, was heresy to the conventional "vulgar" economists who promptly denounced Keynes. It was, however, rather difficult to ignore the political

potential of millions of unemployed. The state had to intervene to try to bolster demand by various pump-priming processes. In the course of providing theoretical justification for state intervention, Keynes had to demolish what was known as Say's Law—an ancient shibboleth according to which each commodity produced automatically generated the purchasing power required to take that commodity off the market. Keynes discovered something that had been more accurately described by Marx and many others; namely, that a portion of the value of a finished commodity went to the owner of capital and that this value (or, more accurately, surplus value in the form of profit, interest or rent) did not necessarily have to be invested in new production. The resultant increase in savings could and periodically did "result in a shortage of purchasing power for buying the volume of goods currently being produced. In that case the volume of goods would not continue to be produced. Production and prices would fall; unemployment would increase. . . . And this equilibrium with extensive unemployment might be quite stable."

Once Keynes had established that depressions could and did exist, and that investment did not automatically provide the necessary offsets to savings, the remedy in the form of public spending was clear. As Galbraith puts it, "Insufficient investment has become the shorthand Keynesian explanation of low production and high unemployment. The obvious remedy is more investment and, in principle, it is not important whether this be from private or public funds. But the expenditure of public funds is subject to central determination by government, as that of private funds is not, so the Keynesian remedy leads directly

to public expenditure as a depression remedy."

The Great Depression has been succeeded by the Permanent War Economy. In this development is rooted the ultimate crisis of liberalism. Neither war nor a war economy is conceivable without rigorous, large-scale state intervention in the economy. The Keynesian theories, as Galbraith is at pains to point out, lose their attractiveness. That is why, in many respects, Galbraith's *American Capitalism* reads like the confessions of a liberal. The old theories have been demolished twice over by remorseless reality. A new theory is needed: one that will explain what is apparently transpiring and one which justifies the *status quo*. Galbraith is attempting to fill the void left by the decline of Keynesianism.

The first point in establishing the nature of the void is to show that the climate is, indeed, different. This is not difficult to do, of course, although Galbraith fails to draw the necessary conclusions. It is only in passing that he reveals any understanding of what has happened, when he states that: "The Great Depression of the Thirties never came to an end. It merely disappeared in the great mobilization of the Forties. For a whole generation it became the normal aspect of peacetime life in the United States—the thing to be both feared and expected." What is this if not an unconscious reference to the Permanent War Economy?

Even though depressions (and Keynes) are *passé*,

The depression psychosis not only contributed deeply to the uncertainty and insecurity of Americans in the years following World War II, it also deeply influenced economic behavior . . . nearly every major business enterprise in the United States has been operated in the last five years in the expectation that

sooner or later there would be a major slump. In late 1946, some 15,000 leading business executives were asked by *Fortune* magazine if they expected an "extended major depression with large-scale unemployment in the next ten years." Fifty-eight per cent of those replying (in confidence) said they did. Of the remainder, only twenty-eight per cent said no. Organized labor's preoccupation with measures to maintain employment and the farmers' preoccupation with support prices have both reflected the search for shelter from depression. During the last fifteen years, the American radical has ceased to talk about inequality or exploitation under capitalism or even its "inherent contradictions." He has stressed, instead, the unreliability of its performance.

Keynes provided a theory of depressions and a remedy therefore. Depression, however, is no longer the real danger; in fact, depression—according to Galbraith—is virtually an impossibility.

Given peace, and also freedom from the *force majeure* of large expenditures for armed forces, considerable confidence could be placed in the Keynesian formula. We could expect it to work [states Galbraith] because we could look forward to the kind of economy in which it is capable of working. Unhappily the prospect is not so favorable. [The PWE dominates the scene.] Although Keynes provided a plausible solution to the problem of deflation and depression, the application of his formula to the economy is not symmetrical. It does not deal equally well with the problem of inflation. . . . And unfortunately, inflation, not depression, is the greatest present and well may be the most persistent future tendency of the American economy.

Fiscal policy (tax rate manipulation, etc.) and built-in stabilizers (social security, etc.) have done away with depressions and thereby with Keynes. This is a pity, according to Galbraith, as depressions can always be controlled, but then Keynes would still reign supreme and there would be no need for Galbraith to develop his fraudulent concept of countervail-

ing power. Lest we be accused of doing an injustice to Galbraith on this important point, let us quote two more passages. First he states:

Speaking with all the caution that broad generalization requires [*sic!*], the experience of these years [post-World War II] suggests that *there are no problems on the side of depression or deflation with which the American economy and polity cannot, if it must, contend.* (Italics mine—T. N. V.)

Then, in the next breath:

A reading of recent experience has suggested that the American economy is unlikely soon to find, on the side of depression and deflation, any problems with which it cannot contend and none which would require an extension of the scope of centralized decision beyond the impersonal guidance provided by the Keynesian formula. Moreover the same experience of the years between 1945 and 1950 would lead one to expect that it would be against deflation that, most probably, the Keynesian formula would have to be invoked. *There are some hitherto unsuspected virtues in deflation. We know it can be countered; it provides the context in which the internal regulators work best. Thus we have a formula which insures a favorable over-all performance of the economy; that formula involves no revolutionary or even very drastic change in the economy or the relation of government thereto; the outlook is for the moderate deflationary tendencies in which both the economy and the formula can be expected to function well.* (Italics mine—T. N. V.)

Unfortunately, Galbraith finished his book after the Korean war had broken out. He was consequently forced to recognize that

military expenditures are increasing rapidly. There has also been a considerable modification of the depression psychosis. . . . Accordingly, *inflation must now be considered not a possibility but a probability.* (Italics mine—T. N. V.)

These rather lengthy quotations from Galbraith's economic outlook have been necessary to provide the proper setting for analyzing the concept of countervailing power. First,

however, it is necessary to explore what Galbraith means by the term, countervailing power.

Market power has been a central feature of capitalism and competition has been the regulator of markets. These pivotal characteristics of capitalism have been recognized by all economic theories. Classical and neo-classical bourgeois theorists, in fact, centered all attention on market price, its causes, fluctuations and its impact (through the benign regulatory force of competition) on economic equilibrium and growth. The supply-demand equation governed price, and competition among sellers or among buyers (each of whom exercised no effective control over total output or market price) produced the "right" price that assured efficient allocation of resources, full employment and the best possible society. Galbraith succinctly expresses the traditional theory as follows:

In all cases the incentive to socially desirable behavior was provided by the competitor. *It was to the same side of the market and thus to competition that economists came to look for the self-regulatory mechanism of the economy.* (Italics mine—T. N. V.)

But competition was noticeably weakening throughout the twentieth century. By the time of the Great Depression, the presence of monopoly as an important, if not crucial, characteristic of the economy was most difficult to ignore. Theories were being developed on "imperfect" and "monopolistic" competition. In any event, competitive theory as an interpreter of what was happening and as a guide to action was losing adherents with each passing day. This was the climate that nourished the growth of Keynesianism. But Galbraith, from the vantage point of the Permanent War Economy (although, without beginning to realize its implications), seeks

a new explanation—one that not only explains what happened in the 1930's and 1940's, but one that justifies the *status quo* of the 1950's.

The following extensive excerpt from Galbraith's *American Capitalism* provides us with the author's understanding of the background leading to, as well as his definition of, countervailing power:

They [economists] also came to look to competition exclusively and in formal theory still do. The notion that there might be another regulatory mechanism in the economy has been almost completely excluded from economic thought. Thus, *with the widespread disappearance of competition in its classical form and its replacement by the small group of firms if not in overt, at least in conventional or tacit collusion, it was easy to suppose that since competition had disappeared, all effective restraint on private power had disappeared.* Indeed this conclusion was all but inevitable if no search was made for other restraints and so complete was the preoccupation with competition that none was made.

In fact, new restraints on private power did appear to replace competition. They were nurtured by the same process of concentration which impaired or destroyed competition. But they appeared not on the same side of the market but on the opposite side, not with competitors but with customers or suppliers. It will be convenient to have a name for this counterpart of competition and I shall call it countervailing power. (Italics mine—T. N. V.)

Before continuing with Galbraith's exposition of the concept of countervailing power, it is worth digressing to examine the dictionary meaning of the term. Countervail, it seems, can be traced back through old French to Latin, from which it is derived literally as "to be strong against." The idea of compensation or balance is clearly at the heart of the meaning of countervail and the dictionary defines it as "to act against with equal force or power"; or "to act with equivalent effect against anything." Note the

stress on "equal" or "equivalent" power, as this is precisely what Galbraith has in mind.

To begin with a broad and somewhat too dogmatically stated proposition, *private economic power is held in check by the countervailing power of those who are subject to it. The first begets the second. The long trend toward concentration of industrial enterprise in the hands of a relatively few firms has brought into existence not only strong sellers, as economists have supposed, but also strong buyers as they have failed to see. The two develop together, not in precise step but in such manner that there can be no doubt that the one is in response to the other.*

The fact that a seller enjoys a measure of monopoly power, and is reaping a measure of monopoly return as a result, means that there is an inducement to those firms from whom he buys or those to whom he sells to develop the power with which they can defend themselves against exploitation. It means also that there is a reward to them, in the form of a share of the gains of their opponents' market power, if they are able to do so. In this way the existence of market power creates an incentive to the organization of another position of power that neutralizes it.

The contention I am here making is a formidable one. It comes to this: *Competition which, at least since the time of Adam Smith, has been viewed as the autonomous regulator of economic activity and as the only available regulatory mechanism apart from the state, has, in fact, been superseded.* Not entirely to be sure. There are still important markets where the power of the firm as (say) a seller is checked or circumscribed by those who provide a similar or a substitute product or service. This, in the broadest sense that can be meaningful, is the meaning of competition. The rôle of the buyer on the other side of such markets is essentially a passive one. It consists in looking for, perhaps asking for, and responding to the best bargain. The active restraint is provided by the competitor who offers, or threatens to offer, a better bargain. By contrast, *in the typical modern market of few sellers, the active restraint is provided not by competitors but from the other side of the market by strong buyers. Given the con-*

vention against price competition, it is the rôle of the competitor that becomes passive . . . competition was regarded as a self-generating [italics in original] regulatory force. The doubt whether this was in fact so after a market had been pre-empted by a few large sellers, after entry of new firms had become difficult and after existing firms had accepted a convention against price competition, was what destroyed the faith in competition as a regulatory mechanism. *Countervailing power is also a self-generating force and this is a matter of great importance . . . the regulatory rôle of the strong buyer, in relation to the market power of the strong seller, is also self-generating.* As noted, power on one side of a market creates both the need for, and prospect of reward to, the exercise of countervailing power from the other side. In the market of small numbers, the self-generating power of competition is a chimera. *That of countervailing power, by contrast, is readily assimilated to the common sense of the situation and its existence, once we have learned to look for it, is readily subject to empirical verification.* (Italics mine—T. N. V.)

The monopolist, according to Galbraith, is held in check (and presumably no great degree of state intervention is required) not by his competing monopolist but by his monopolistic countervailing buyer or supplier. Economic (and political) balance is no longer mainly achieved by parallel competition among a great many (small) sellers or buyers but by relatively few huge supplying and buying organizations confronting each other across the supply-demand equation. Moreover, this exercise of what Galbraith describes as countervailing power is really automatic, i.e., self-generating.

According to Galbraith, the importance of countervailing power can be empirically demonstrated in virtually every phase of economic activity where prices are a factor. In fact, he cites the labor market, agriculture and large-scale retailing organizations as the three prime examples of counter-

vailing power. The powerful trade union, the large farmers' coöperatives and the big chain stores and mail order houses constitute his best illustrations of countervailing power. They have arisen in response to a monopolistic position on the other side of the economic bargaining table. Labor, farmers and consumers (?) need these organizations partly as a matter of self-defense and partly to share the ill-gotten monopolistic gains of their monopolistic antagonists.

The operation of countervailing power is to be seen with the greatest clarity [states Galbraith] in the labor market where it is also most fully developed. [He then cites the case of the steel industry, observing:] As late as the early Twenties, the steel industry worked a twelve-hour day and seventy-two-hour week with an incredible twenty-four-hour stint every fortnight when the shift changed.

No such power is exercised today and for the reason that its earlier exercise stimulated the counteraction that brought it to an end. *In the ultimate sense it was the power of the steel industry, not the organizing abilities of John L. Lewis and Philip Murray, that brought the United Steel Workers into being.* The economic power that the worker faced in the sale of his labor—the competition of many sellers dealing with few buyers—made it necessary that he organize for his own protection. There were rewards to the power of the steel companies in which, when he had successfully developed countervailing power, he could share.

As a general though not invariable rule there are strong unions in the United States only where markets are served by strong corporations. And it is not an accident that the large automobile, steel, electrical, rubber, farm-machinery and non-ferrous metal-mining and smelting companies all bargain with powerful CIO unions. (Italics mine—T. N. V.)

It is true that capitalism has organized the industrial proletariat in large factories and the class struggle has therefore more readily lead to the development of powerful trade unions. These, however, are terms and forces of which Galbraith is totally ignorant.

He is straining to make the facts of life fit his so-called theory of countervailing power. Yet he must recognize that strong unions exist in areas where powerful oligopolies are conspicuous by their absence. He is thus constrained to state:

I do not advance the theory of countervailing power as a monolithic explanation of trade-union organization; in the case of bituminous-coal mining and the clothing industry, for example, the unions have emerged as a supplement to the weak market position of the operators and manufacturers. They have assumed price- and market-regulating functions that are the normal functions of management. Nevertheless, as an explanation of the incidence of trade-union strength in the American economy, the theory of countervailing power clearly fits the broad contours of experience. (Italics mine—T. N. V.)

Strong unions arise in response to the need of workers to defend themselves from the monopolistic power of large corporations and to obtain a share of the gains of monopoly power for the workers. The function of countervailing power in such instances, it is clear, is a healthy one. It achieves the type of balance of which Galbraith approves. At the same time, in other industries where powerful monopolistic corporations do not exist, strong unions arise "to supplement the weak market position of the operators and manufacturers." Since the countervailing power of strong unions, however, can only operate against the monopoly power of large corporations, the UMW and the ILGWU must perform the "market functions that normally belong to management"; i.e., they must develop monopolistic powers. It is not precisely clear, however, how a union can share the monopoly power of corporations when such power is non-existent. If Galbraith would study the history of the American labor movement, he might find other reasons for the

growth of powerful unions in competitive industries and would thus not try to force his theory of countervailing power to fit facts for which it is patently not designed. It goes without saying that the history of the class struggle provides all the explanations that are necessary for the specific character and strength of the American trade-union movement.

The longest effort to develop countervailing power, according to Galbraith, has been made by the farmer.

In both the markets in which he sells and those in which he buys, the individual farmer's market power in the typical case is intrinsically nil. In each case he is one among hundreds of thousands. As an individual he can withdraw from the market entirely, and there will be no effect on price—his action will, indeed, have no consequence for anyone but himself and his dependents.

Those from whom the farmer buys and those to whom he sells do, characteristically, have market power. The handful of manufacturers of farm machinery, of accessible fertilizer manufacturers or mixers, of petroleum suppliers, of insurance companies all exercise measurable control over the prices at which they sell. The farmer's market for his products—the meat-packing industry, the tobacco companies, the canneries, the fluid-milk distributors—is typically, although not universally, divided between a relatively small number of large companies.

Many of the political activities of the farmers, such as the Granger movement, represent attempts to combat the monopolistic buying and selling power to which farmers are opposed in their market activities. The power of the farm bloc in Congress—it is implicit in Galbraith's analysis—flows from these antecedents. "Farmers have turned from the reduction of opposing market power," according to Galbraith, "to the building of their own." Here is the explanation of the rise of farm coöperatives.

In seeking to develop countervailing power it was natural that farmers would at some stage seek to imitate the market

organization and strategy of those with whom they did business. For purchase or sale as individuals, they would seek to substitute purchase and sale as a group. Livestock or milk producers would combine in the sale of their livestock or milk. The market power of large meat packers and milk distributors would be matched by the market power of a large selling organization of livestock producers and dairymen. Similarly, if purchases of fertilizer, feed and oil were pooled, the prices of these products, hitherto named by the seller to the individual farmer, would become subject to negotiation.

The necessary instrument of organization was also available to the farmer in the form of the coöperative. The membership of the coöperative could include any number of farmers and it could be democratically controlled. All in all, the coöperative seemed an ideal device for exercising countervailing power. . . .

As a device for getting the economies of large-scale operations in the handling of farm products or for providing and capitalizing such facilities as elevators, grain terminals, warehouses and creameries, coöperatives have enjoyed a considerable success. For exercising market power they have fatal structural weaknesses. . . . It cannot control the production of its members and, in practice, it has less than absolute control over their decision to sell. . . . A strong bargaining position requires ability to wait—to hold some or all of the product. [The selling coöperative has thus had limited success and required the intervention of the Federal government starting in the Hoover Administration.]

The farmer's purchasing coöperative is free from the organic weaknesses of the marketing or bargaining coöperative. In the marketing coöperative the non-coöperator . . . gets a premium for his non-conformance. In the buying coöperative he can be denied the patronage dividends which reflect the economies of effective buying and bargaining. In the purchase of feed, chemicals for fertilizers, petroleum products and other farm supplies and insurance these coöperatives have enjoyed major success.

Galbraith has provided a justification for state intervention in behalf of the farmer that takes the curse off this type of activity and makes it inevitable.

The fact that the modern [farm] legislation is now of two decades' standing, that behind it is a long history of equivalent aspiration, that there is not a developed country in the world where its counterpart does not exist, that no political party would think of attacking it are all worth pondering by those who regard such legislation as abnormal.

Countervailing power is most effective, it would seem, in the case of large retailing organizations that can exercise unusually strong buying power. States Galbraith:

As a regulatory device one of its [countervailing power] most important manifestations is in the relation of the large retailer to the firms from which it buys.

Again, it is the monopolistic power of the large corporations supplying retailers that provided the need and opportunity for the growth of the A & P, Sears, Roebuck & Co., Woolworth's, etc. Or, as Galbraith puts it, in precise parallel with the labor market, we find the retailer with both a protective and profit incentive to develop countervailing power whenever his supplier is in possession of market power. The practical manifestation of this, over the last half-century, has been the spectacular rise of the food chains, the variety chains, the mail-order houses (now graduated into chain stores), the department-store chains, and the coöperative buying organizations of the surviving independent department and food stores."

It is clear that Galbraith looks with favor upon the countervailing activities of such large retailing organizations as A & P and Sears, for he feels that it was a mistake even to attempt prosecution of the A & P under the anti-trust statutes, and he clearly lauds Sears for being able to purchase automobile tires at prices from 29 to 40 per cent lower than the market. Consequently, Galbraith is opposed to the Robinson-Patman Act for it fails to distinguish between original power and countervailing power and discriminates against the effective exercise of countervailing power.

When the comprehensive representation of large retailers in the various fields of consumers' goods distribution is considered, it is reasonable to conclude—the reader is warned [by Galbraith] that this is an important generalization—that *most positions of market power in the production of consumers' goods are covered by positions of countervailing power.* (Italics mine—T. N. V.)

The countervailing power of the large retailing organizations, willy nilly, benefits consumers and eliminates the need of consumers organizing large-scale buying coöperatives similar to those in Scandinavia and England. Here is one of the more significant aspects of Galbraith's concept of countervailing power, and one of the more facile justifications of the *status quo*.

States Galbraith:

The development of countervailing power requires a certain minimum opportunity and capacity for organization, corporate or otherwise. *If the large retail buying organizations had not developed the countervailing power which they have used, by proxy, on behalf of the individual consumer, consumers would have been faced with the need to organize the equivalent of the retailer's power.* This would be a formidable task but it has been accomplished in Scandinavia and, in lesser measure, in England where the consumer's coöperative, instead of the chain store, is the dominant instrument of countervailing power in consumers' goods markets. . . . *The fact that there are no consumer coöperatives of any importance in the United States is to be explained, not by any inherent incapacity of the American for such organization, but because the chain stores pre-empted the gains of countervailing power first.* The counterpart of the Swedish Koöperative Forbundet or the British Coöperative Wholesale Societies has not appeared in the United States simply because it could not compete with the A & P and the other large food chains. The meaning of this . . . is that the chain stores are approximately as efficient in the exercise of countervailing power as a coöperative would be.

Comment on the above would be

largely superfluous, particularly since Galbraith recognizes that, "While countervailing power is of decisive importance in regulating the exercise of private economic power, it is not universally effective." And he cites the case of the residential-building industry. What Galbraith has failed to comprehend, however, is that consumers are not a class but an economic category cutting across all classes. Consumers cannot easily organize unless, as in England and Scandinavia, there is a strong political party of labor able to sustain an economic organization of consumers who are mainly workers. Here, and not in some mysterious countervailing benefits of monopolistic retail chains, lies the basic explanation of why consumers' coöperatives have not flourished in the United States.

Labor and farmers, however, represent distinct economic classes. The course of the class struggle—not a fraudulent concept of countervailing power—has led to the development of trade unions and farmers' buying coöperatives. The dialectic of the class struggle also helps to explain why farmers have achieved considerable political power in the United States, whereas the working class, as yet, has failed to achieve political power commensurate with its economic power. Of course, the struggle between a large-scale retail organization, such as Sears, and an oligopolist manufacturer, like the Goodyear Tire & Rubber Company, is a form of the class struggle. Only in this case it represents a struggle between segments of the capitalist class and not between different classes. No profound social consequences are really possible in a struggle within the capitalist class, as frequently occurs when the struggle is between the capitalist class and the working class.

Parenthetically, it is interesting to note that, with few exceptions, American bourgeois economics in the last two generations has been devoid of value theory. The concentration on so-called price theory, as separate and distinct from value theory, led ultimately to the enthronement of Wesley Mitchell and his followers at the National Bureau of Economic Research in the so-called Statistical School. Description—in many cases, interesting and unique descriptions—replaced theory. What exists flows from what was, but why is another question. Galbraith, too, is hardly a theorist. It does not even occur to him to question what is involved in the determination of price besides the superficial supply-demand relationships and the bargaining that occurs in the market place. The “theory” of countervailing power is as much a theory of prices and economic behavior as tides, by themselves, are an explanation of weather formation.

Galbraith, however, does have a sense of reality. He is not only aware of the fact that Keynesianism no longer holds sway and that the theories of monopolistic competition possess many inadequacies, but he is constrained to develop some plausible explanation of existing economic conditions that both justifies the *status quo* and provides a suitable guide to public policy. Giants on either side of the supply-demand equation play the decisive rôle in price determination, according to the concept of countervailing power, rather than “competition” amongst monopolies operating on the same side of the market. He provides a rationale for both private control of the means of production and limited state intervention to preserve that control. “The present analysis,” he states, “also legitimizes gov-

ernment support to countervailing power.”

While state intervention has already been sanctioned by Keynesian theory in the need to create demand in a period of depression, Galbraith’s concept of countervailing power justifies state intervention in a somewhat negative way. The thought is rather fully developed in the following paragraph:

No case for an *ideal* distribution and employment of resources—for maximized social efficiency—can be made when countervailing power rather than competition is accepted as the basic regulator of the economy. Countervailing power does operate in the right direction. When a powerful retail buyer forces down the prices of an industry which had previously been enjoying monopoly returns, the result is larger sales of the product, a larger and broadly speaking a more desirable use of labor, materials and plant in production. But no one can suppose that this happens with precision. Thus a theoretical case exists for government intervention in private decision. It becomes strong where it can be shown that countervailing power is not fully operative.

The major argument against state intervention, in fact, becomes the old chestnut concerning the alleged impracticality and bureaucratic nature of state planning transformed into a wondrous argument about the administrative advantages of decentralized authority. Thus,

Although little cited, even by conservatives, administrative considerations now provide capitalism with by far its strongest defense against detailed interference with private business decision. To put the matter bluntly, in a parliamentary democracy with a high standard of living there is no administratively acceptable alternative to the decision-making mechanism of capitalism. No method of comparable effectiveness is available to decentralize authority over final decisions.

Countervailing power on Galbraith’s own testimony, however, cannot work in a period of inflation and inflation is the basic characteristic of

our times. After developing his theory, he states:

I come now to the major limitation on the operation of countervailing power—a matter of much importance in our time. Countervailing power is not exercised uniformly under all conditions of demand. *It does not function at all as a restraint on market power when there is inflationary pressure on markets. . . .* Countervailing power, as a restraint on market power, *only* (Galbraith's emphasis) operates when there is a relative scarcity of demand. Only then is the buyer important to the seller and this is an obvious prerequisite for his bringing his power to bear on the market power of the seller. If buyers are plentiful, that is, if supply is small in relation to current demand, the seller is under no compulsion to surrender to the bargaining power of any customer. The countervailing power of the buyer, however great, disappears with an excess of demand. With it goes the regulatory or restraining rôle of countervailing power in general. Indeed, the best hope of the buyer, under conditions of excess demand, may be to form a coalition with the seller to bring about an agreed division of returns. . . .

When demand is limited, we have . . . an essentially healthy manifestation of countervailing power. The union opposes its power as a seller of labor to that of management as a buyer: At stake is the division of the returns. An occasional strike is an indication that countervailing power is being employed in a sound context where the costs of any wage increase cannot readily be passed along to someone else. It should be an occasion for mild rejoicing in the conservative press. *The Daily Worker, eagerly contemplating the downfall of capitalism, should regret this manifestation of the continued health of the system.*

Under conditions of strong demand, however, collective bargaining takes on a radically different form. . . . Thus when demand is sufficiently strong to press upon the capacity of industry generally to supply it, there is no real conflict of interest between union and employer. It is to their mutual advantage to effect a coalition and to pass the costs of their agreement along in higher prices. Other buyers along the line, who under other circumstances might have exercised their

countervailing power against the price increases, are similarly inhibited. Thus *under inflationary pressure of demand, the whole structure of countervailing power in the economy dissolves.* (Italics mine—T. N. V.)

Inflation, of course, has certain beneficiaries: "In the inflation years of the Forties, farmers and recipients of business profits did gain greatly in real income. It is not possible for any reputable American to be overtly in favor of inflation; it is a symbol of evil, like adultery, against which a stand must be taken in public however much it is enjoyed in private." Inflation eliminates the slack in the economy and makes countervailing power virtually inoperative.

Inflation, moreover, is a characteristic of the Permanent War Economy and makes controls inevitable. This will have a permanent impact on the nature of capitalism, and it is on this rather lugubrious note that Galbraith concludes his book:

Given war or preparation for war—coupled with the effect of these on the public's expectations as to prices—there is every likelihood that the scope for decentralized decision will be substantially narrowed. It is inflation, not deflation or depression, that will cause capitalism to be modified by extensive centralized decision. The position of capitalism in face of this threat is exceedingly vulnerable. This is not a matter of theory but of experience. . . . A few months of inflation [in 1950] accomplished what ten years of depression had not required.

The concept of countervailing power, consequently, is counterfeit on two grounds. Firstly, and mainly, it takes what are simple phenomena of the class struggle and erects them into a fraudulent theory that is supposed to explain and justify the *status quo*. Secondly, it admittedly cannot operate in a period of inflation, which means that its functions are necessarily extremely limited, being restricted to ever-narrowing periods of deflation

(at least, according to Galbraith). Countervailing power exists, yes, in so far as it is a manifestation of the class struggle; but that is the only extent to which the concept is valid. The rest is a triumph of public relations and a fraud, although an interesting one, upon an unsuspecting intelligentsia.

The struggle across opposite sides of the marketplace is only one—and a minor phase at that—of the forms of the modern class struggle. As already mentioned, it is essentially a conflict within the capitalist class and, therefore, normally less intense and historically less significant than the class struggle in the factories between capital and labor. Preoccupation with mitigating all forms of the class struggle has become one of the hallmarks of American twentieth century liberalism; and, as a rule, no distinction is made among various types of class struggles. The important thing in the modern liberal lexicon is to have social peace—usually at any price.

Galbraith is no exception to this characteristic liberal approach. If he did not make his position entirely clear to everyone in *American Capitalism*, he is unambiguous in a paper on "Countervailing Power," delivered before the December, 1953, annual meeting of the American Economic Association. He states:

I fear I did not make as explicit as I should the welfare criteria I was employing. In partial equilibrium situations, economics has long made the maximization of consumer welfare a nearly absolute goal. Any type of economic behavior which lowered the prices of products to the consumer, quality of course being given, is good. . . .

In our own time, . . . we regularly reject the particular equilibrium test of maximized consumer well-being. We regularly accept measures which raise product prices to ameliorate the grievances or alleviate the tensions of some social group. And it is well that we do. An opu-

lent society can afford to sacrifice material well-being for social contentment. Higher prices of coal or clothing we regard as a small price for freedom from disorder in the coal fields or destitution in the sweatshops.

I doubt whether, in entering a defense of the social utility of countervailing power, I made sufficiently clear whether my standard was the welfare of the consumer or the minimization of social tension. It was natural that perceptive critics would take up the attack on the test of consumer welfare. Had I been less under the influence of this norm myself I would have invited the battle *in the area of social harmonies*. This, I submit, is also the critical test. American society has not recently been threatened in peacetime (or even in wartime) by a shortage of food. There have been times when the tensions of the farming community were a threat to orderly democratic process. The evolution of countervailing power in the labor market has similarly been a major solvent of tensions in the last half-century. Most would now agree, I think, that this has been worth a considerable price. (Italics mine—T. N. V.)

The concept of countervailing power—objectively in the view of its creator—has the dual purpose of softening the class struggle (reducing social tensions) and of creating the proper socio-economic climate for progressive economic development (dissipating the psychosis of depression and justifying state monopoly capitalism). In the course of developing his essay in social criticism, Galbraith, as we have pointed out, has had to do violence to many basic social phenomena, such as the nature of and reasons for the growth of the trade-union movement. He has also felt constrained to exhibit his ignorance of Marxism. He obviously believes he is making a telling point when he states: "*In the Marxian lexicon, capitalism and competition are mutually exclusive concepts; the Marxian attack has not been on capitalism but on monopoly capitalism.*" How one person can be so wrong in

such a brief sentence is difficult to comprehend. Suffice it to say, that Marx always held competition to be a basic characteristic of capitalism, and the Marxian analysis of state monopoly capitalism constitutes a fundamental attack on capitalism as a social system that has outlived its historical usefulness.

In the same paper before the American Economic Association, Galbraith is forced to admit that one of his major points—the reduction of consumer prices by large retail chain operations—is not really due to countervailing power, but to competition. He states:

The gains from opposing mass retail buying to large-scale or oligopolistic production have, I think, been fairly generally conceded. The question has been asked, however, as to what eleemosynary instinct causes the gains that are won by the mass buyer to be passed along to the consumer. In my book I argued that it was the result of the shape of the production function in retailing. *My critics have suggested that it is because retailing, the mass buyers notwithstanding, is still a competitive industry.* (It is likely to remain one, for entry is almost inherently easy.) *I suspect they are right.* I am sure that I was more than a little reluctant, at this particular stage in my argument, to confess a reliance on competition. (Italics mine—T. N. V.)

The self-generating character of countervailing power and its beneficial effects become just a series of unproved statements on the part of Galbraith—so much so, that the self-generating character of countervailing power may be labeled a self-generating fraud. This is pretty much the view of Galbraith's professional critics. States Professor George J. Stigler (in a paper entitled, "The Economist Plays With Blocs," delivered at the same session of the American Economic Association):

We must regret that at the very threshold of the doctrine of countervailing power, Galbraith eschews rational

explanation. It is not as if one were asking, in the tones of a stuffy formalist, for explicit development of details of a theory whose general outline is familiar or which is a plausible extension of well-explored theories. The theory of bilateral oligopoly can hardly be said to exist, and the theory of bilateral monopoly—which Galbraith disposes of in a singularly high-handed manner—offers only contradictions to his theory . . . Galbraith's notion of countervailing power is a dogma, not a theory. It lacks a rational development and must be accepted or rejected without reference to its unstated logical antecedents. . . . Nor is there any explanation, in Galbraith's book or elsewhere, why bilateral oligopoly should in general eliminate, and not merely redistribute, monopoly gains.

Stigler concludes his critique of Galbraith by stating:

I want to close with an apology for the consistently negative attitude I have felt compelled to take with respect to Galbraith's theory. One would like to speak well of so urbane and witty a presentation. Especially at this season one would like to avoid expressing doubts that a mysterious, benevolent being will crawl down each and every chimney and leave a large income as well as directions to the nearest cut-rate outlet. Yet even at this season, Galbraith cannot persuade us that we should turn our economic problems over to Santa.

Another academic critic, John Perry Miller, in a paper at the same meeting, entitled "Competition and Countervailing Power: Their Roles in the American Economy," summarizes Galbraith's theoretical approach by stating:

Here indeed is an optimistic doctrine of the dialectic suggesting that it is the search for power and countervailing power rather than self-interest in the search for gain which promotes economic progress. [Miller does not have much faith in countervailing power and expresses his basic attitude by declaring:] The further one burrows into the concept of countervailing power the clearer it becomes that a catchy phrase is being used to cover a variety of situations. It is doubtful whether so used it is a very useful tool of analysis. I doubt, also, that

it is good history. And as an instrument of policy it is at best one in a crowded kit of tools along with the traditional tools of the policy of competition.

Nor were the discussants of the main papers at this session on Countervailing Power any kinder toward Galbraith than the official critics. David McCord Wright concludes his discussion with this trenchant blow: "I should judge Dr. Galbraith one of the most effective enemies of both capitalism and democracy."

While Galbraith is to be commended for writing in non-technical language, and for attempting to relate economic theory to social reality (*i.e.*, for returning to the precepts of political economy), his humor smacks of smart-aleckism and is misplaced in a

serious work. The popularity that Galbraith's book has achieved, however, is not due to its style. And it is only partly due to excellent public relations in its promotion. Countervailing power appeals to a certain segment of intellectuals who are groping for doctrines that will reassure them that their world is not crumbling. This the theory of countervailing power attempts to do. Amidst the general bankruptcy of American bourgeois political economy, Galbraith is refreshing in his candor and style, but destined to a short life as the theorist of the day, for the simple reason that his theory is a fraud and will not even be accepted by the liberal bourgeoisie for whose benefit it was concocted.

T. N. VANCE

France & American Foreign Policy

France's Reaction to International New Look

Some well-meaning liberals who swallowed Truman's doctrine of containment have gagged at the monstrous idea of massive retaliation, grown despondent over the Indochinese fiasco, and fallen into a deep melancholia over the failure of EDC. And yet, Eisenhower and Dulles are but the faithful executors of Truman's policies; massive retaliation is the inevitable child of containment.

Examine, one by one, the failures that have been the lot of the present administration, and their origins are to be found in the initial successes of its predecessor. It was under Truman that the United States began subsidizing the French mercenaries in Indochina. Dean Acheson, Truman's Secretary of State, presided over the beginnings of NATO and approved of EDC as a means of creating a West

German armed force. The H-bomb project was authorized long before General Eisenhower aspired to the high office of the presidency. Intervention in Korea was ordered by Truman and nurtured into deadlock and frustration under his administration.

Why have Truman's successes soured into Eisenhower's failures? The answer lies largely in the poverty of ideas that have guided American foreign policy. Under Truman, policy was determined by the notion that a balance in the world struggle could be struck and maintained only while America had military superiority. Under Eisenhower, the formula evolved one stage further: the struggle can only be resolved by military means. What unites Truman and Eisenhower is greater than that which keeps them apart—the reliance on military

means as *the major weapon* in the struggle with the Moscow-Peiping bloc. Both in the order of logic as in sequence of time, Indochina comes after Korea.

Between 1949 and 1951 it was still possible for the Truman administration to adopt a posture of defense with one hand while it concealed the A-bomb in the other. Russian aggression in Czechoslovakia and Berlin, and the military adventure in Korea created a political climate which permitted Washington to justify its policy of military containment as the main deterrent to Russian imperialism. The bourgeoisie and the masses of Western Europe submitted to American strategy and domination, believing that only the American monopoly of the A-bomb prevented an invasion of Western Europe and the transformation of the "cold war" into a "hot war."

THE DANGERS INHERENT in Washington's strategy were revealed for all the world to see during the Truman-MacArthur controversy over policy in Korea. To the military mind, the posture of defense and the notion of a limited and local war implied in the doctrine of containment was exhausting, wasteful and interminable. In addition, it yielded the initiative to the enemy. Containment did not bring victory, massive retaliation would. To be sure, Truman dismissed MacArthur; yet, MacArthur's logic triumphed in the Indochinese crisis. It is not the fault of the Eisenhower administration that it failed to win its allies over to its point of view.

It is no secret that as the Indochinese crisis approached fever pitch in the spring of 1954, a furious debate raged in the National Security Council, the real policy making body of the administration. Admiral Radford,

chief of the Joint Chiefs of Staff, argued for intervention in the Indochinese fighting. He was opposed by General Ridgeway, Army Chief of Staff. That the Eisenhower administration at the outset sided with Radford is confirmed not only in the beligerent statements made by Dulles, but by Vice-President Nixon's speech before the American Society of Newspaper Editors. In this "confidential" talk before a few thousand editors, Nixon openly advocated intervention and the dispatch of American troops, if necessary, to Indochina.

The strategy of Radford and the administration was the military equivalent of the Asia First politics of Senator Knowland and the China Lobby. American air and sea power would crush both Vietminh and the Chinese. The political superiority of the Vietminh, fighting a war of liberation against the French with the support of their Chinese overlords, could be destroyed in the cleansing fire of napalm, atomic, and if necessary, H-bombs.

Marquis Childs, the Washington columnist, has described the resistance of General Ridgeway to Radford's views in the National Security Council. In broad outline Ridgeway argued that American intervention would bring Russian involvement and that American concentration in Asia would leave Western Europe wide open to Russian invasion and easy conquest, bringing in its wake the irreparable loss of Western Europe's industry and manpower.

Neither in the National Security Council nor in the administration was there an open discussion or any frank admissions on why the Indochinese crisis had taken a military form. Only in Congressional debate was the question posed and answered: how was it, that despite overwhelming military

superiority, the French were losing the war and the United States was confronted by disastrous alternatives—either lose Indochina in whole or part, or risk the danger of a Third World War by intervention. Certain Democratic congressmen denounced the French for fighting a war of colonial reconquest, and damned the Eisenhower administration and Truman as well, for financing it. But this was in 1954, not 1950.

The Truman administration had begun directly financing the French colonial war of pacification in Indochina in 1950 as part of its world policy of containment. The Eisenhower administration inherited and continued the very same policy. And in 1952 it faced a disaster not of its own making.

In 1950, the United States could have chosen to pursue a democratic foreign policy. It could have engaged the Moscow-Peiping bloc and its allies on the plane of political struggle. An independent and democratic regime in Indochina could have commanded the moral and material support of the Asian "neutrals" as well as of the Western world. The prestige of Ho Chi Minh as the standard bearer of national liberation could have been nullified, and the attractive power of the totalitarian Vietminh movement destroyed. Furthermore, the moral "justification" for Chinese intervention would have ceased to exist.

THE AMERICAN RULING CLASS and its political representatives have not learned very much from the Indochinese catastrophe. Its current attempts to forge a military alliance in South-East Asia and to bring about the rearmament of Western Germany bear witness to that.

In the period from 1949 to 1951, the drive toward rearmament and a sys-

tem of military alliances in Western Europe and Asia were possible. The administration in power could justify the support it gave to reactionary regimes and classes on the grounds that the imminence of war left no alternative. Today, such a course is as disastrous as it is futile as the Moscow-Peiping bloc has already begun to do battle primarily on the political plane. In the struggle for world public opinion, for the support of the "neutrals," the American ruling class has demonstrated its striking poverty of ideas. And the point has now been reached where its system of alliances is in the process of dissolution.

THE RETREAT of the Eisenhower administration from the Radford position was not decided by the clash of views in the National Security Council. It was forced by the rebellion of the British and French against American strategy. At Geneva, Dulles tried to persuade a perplexed Bidault to continue the war. But as Mendes-France later revealed, the entire French military force in Northern Indochina was in danger of falling into the hands of the Vietminh.

France could not continue the war without the immediate intervention of the United States. But the Americans could not enter the conflict without the agreement and token participation of the British. The Churchill government discreetly but firmly withheld its consent. The first great division inside the so-called Western alliance had taken place. And with the arrival of Mendes-France in Geneva, the European belief in the possibility of co-existence won its first test.

When Winston Churchill rose in the House of Commons on May 11, 1953, and called for a meeting of the governmental heads of the Big Four,

it was time to take notice. All the more since it was Churchill who had drawn the official indictment of Stalinist Russia for embarking on the "cold war" and pulling down the Iron Curtain, in his famous speech in Fulton, Missouri.

Churchill is no neutralist, and yet he is the most eloquent spokesman for that political point of view in Western Europe. The ingredients of this outlook are quite familiar. The military disparity between the Western countries and the Russian-Chinese bloc has now been redressed for two reasons. On the one hand, the Western European countries have now been re-armed, with the exception of West Germany, so that they are not altogether helpless against invasion. On the other hand, American superiority has been diminished with the Russian announcement in August, 1953, that they had the H-bomb. A greater military balance has therefore been established. But even if there was a greater imbalance, a world war would mean the total destruction of Western Europe, dragging conqueror as well as conquered down to a social abyss.

SINCE THE DEATH OF STALIN, Russia has been engaged in a vast process of internal political and economic reforms. For an unforeseeable period ahead, her energies will be totally absorbed by these domestic problems. Similarly, Mao's regime seeks to bring about the industrialization of that vast country, and is prepared to shun further military adventures. A period of peaceful co-existence is possible if both sides will desist from military and political assaults at the exposed points of the antagonist.

The power and force in Churchill's logic arises from its limited correspondence to reality. It is quite true that the new collective leadership in the

Kremlin has turned its attention to reducing the glaring disproportion between industrial and agricultural development in both Russia and her satellite countries; that it wishes to create a firmer social basis for its rule by raising as much as it can the living standards of the masses. It is just as true that it has yielded to the tremendous pressure of the million-headed bureaucracy for a relaxation of the police terror. For a period of time, the Russian ruling class needs and wants to co-exist peacefully.

TO IMPORTANT SECTIONS of the European bourgeoisie, above all in England and France, the turn in the political line of the Kremlin has come like manna from heaven. And so greatly has their mood changed, that they consider their interests more seriously endangered by Washington than by Moscow.

With ever greater incredulity, they have watched the anti-Communist crusade inside the United States take on truly nightmarish proportions. The antics of McCarthy, the McCarran police and immigration laws, and now the bill outlawing the Communist Party have not escaped their attention. And they grasp the political implications of this controlled frenzy. Today, the West European bourgeoisie, the loyal ally of yesterday, lives in constant fear that Washington will embark on some mad military adventure that will hasten the Third World War, a fear highlighted by the MacArthur proposals in Korea in 1951, and the Eisenhower-Dulles-Radford attempt to exploit the Indochinese crisis.

If the Churchill prognosis of Russian intentions in the immediate future is correct, why, ask the French bourgeoisie, is it necessary to consolidate ranks into a solid phalanx that

can only provoke Russian counter-measures? Why is it necessary to rearm at a pace that aggravates domestic social crisis, and above all is it wise to remilitarize Western Germany? Ever since Stalin's death, the French have been dreaming out loud of combining NATO with a Franco-Soviet Pact—all at Germany's expense.

To the peoples of Western Europe, especially France, the great danger to European peace and stability threatens from the immediate neighbor to the East. The spectre that has haunted the French after each war has been the reappearance of a militarized and nationalist Germany. And on this rock of French fear America's design for Europe is being shattered.

The French argument, based on the narrowest calculation of national ego-tism, is simple. If Germany is re-armed, she will assert her claim, as she has done in the past, to the Saar. And once she has regained control of the Saar, she will move to seize not only Eastern Germany, but the lands beyond the Oder and Neisse rivers, embroiling her West European neighbors and allies in a war with the Eastern colossus.

From 1950 on, the goal of American policy in Europe has been to put as many German divisions in the field as soon as possible. A shield was needed to absorb the first shock of any Soviet advance into Western Europe, and the only untapped source of manpower lay in West Germany.

In the same period, French policy pursued its historic goal of containing Germany by political and diplomatic means, despite all professions to the contrary. Its purpose was to keep a brake on the American drive to expand German production and rearmament, and to reduce the latter to the barest minimum, if it could not be altogether frustrated. To the Ameri-

can demand that all restrictions be lifted on steel production, the French countered with the Schuman Plan. To the American insistence on a German army, the French replied with the Plevén Plan. In both cases, the French pursued not the goal of West European integration, but of German containment.

Within the framework of the Schuman Plan, later known as the Coal and Steel Community, the French hoped to continue their access to Germany's coke and coal, and to exercise control over West Germany's heavy industry through the High Authority and Council of the Plan. The French steel industry was all the more willing to enter the scheme and compete with the Ruhr since it had begun an ambitious program of modernization with the aid of American funds. By 1952, France already possessed the most up-to-date steel industry on the continent, with four large, continuous strip mills. In addition, the productivity of her coal mines had almost been raised to the level of the Ruhr coal pits.

The Plevén Plan proposed to do militarily what the Schuman Plan in essence was designed to do on the economic level. It met the American demand for German armed forces and at the same time prevented the rebirth of a national German army by integrating these units in a supranational force. The plan was sketched by Plevén, then Foreign Minister, before the French National Assembly on October 24, 1950, as follows:

Each country would retain its national army (except for Germany, which did not possess one). A European Ministry of Defense would be created to coordinate the national armies.

National armies would become contingents in the unified and integrated

European army. In the case of countries having overseas possessions (France), they would have the right to withdraw units of their national forces for service abroad.

Germany would be entitled to small regimental units of three to four thousand men each, to be recruited and trained under international officers.

Except for one essential detail, the Pleven Plan was accepted by the United States and rechristened as the EDC. The American amendment increased the strength of the total German contribution to twelve divisions. Confronted by choice between twelve German divisions scattered in a supranational force and a possible German national army of sixty divisions, the French appeared to accept, at least on paper, the American amendment.

The German bourgeoisie was prepared to enter the Schuman Plan. It would lift all restrictions on West German steel production. Furthermore, by placing the Ruhr coal and industries under the plan's authority, the danger of nationalization, should the Social-Democrats come to power, might be warded off. As for EDC, the creation of German armed units within a supranational armed force was better than none at all. And in any case, it marked the first step in the creation of an essential element of national power.

If one sought a common political aim uniting the French and German bourgeoisie in the proposal to create "Little Europe," it lay in the mutual reinforcement of reactionary regimes, each dominated by clerical parties and seeking to perpetuate itself through American military and economic might. However, this general tie was too fragile to bind the competing and antagonistic national interests of the French and German bourgeoisie.

Four years of economic competition with an unleashed German industry taught the French that they could not maintain their economic predominance in West Europe. In spite of all initial advantages, the French coal and steel industries were overtaken and outstripped by their Ruhr competitors. In 1949, France, together with the Saar produced almost eleven million tons of crude steel, while West Germany produced nine million. In that same year France together with the Saar produced 65 million tons of coal, Germany 104 million tons.

In 1953, however, Western Germany produced fifteen and a half million tons of steel and 124 million tons of coal. France, for her part, barely managed to raise her steel production to 12.7 million tons, and increased her coal production by only two million tons. The indices of production in these basic industries reflect the general tendencies in both economies as a whole. While French industries stagnate and her economy stumbles from one crisis to another, all sectors of the West German economy have expanded at an unprecedented rate.

The French bourgeoisie pondered the lesson and came to the conclusion that just as the Schuman Plan had not insured the predominance of French industry, the EDC would not guarantee forever a ratio of fourteen French divisions to twelve German divisions. Given the dynamic drive of German industry, of the country's larger population, and the pragmatic desire of the Americans for results, it was a foregone conclusion that in a short time the Germans would dominate the councils of the EDC, if it came into being.

THE POSTPONEMENT of politics, budgetary deficits instead of financial pol-

icy, and a diplomacy of broken promises and deceit—that is how an unkind critic has described the domestic and foreign policy of the dreary succession of governments of the Right and Center that have misruled France in recent years. It is, of course, the description of a society in decay and a ruling class in crisis. What is extraordinary is the length of time which this process of decomposition has dragged on without producing violent social and political convulsions.

Today, in 1954, the French economy has barely risen above the 1929 level of production. French industry is composed not of large, efficient units but of small, family type, tradition-bound shops. And even her large industries are small compared with those of other countries. The largest French electrical group, for example, employs 20,000 workers, whereas the largest German electrical concern employs 100,000. The ten largest factories for chemical products in France produce only 18 per cent of the total French output in that industry. In Germany, three big chemical concerns are responsible for 23 per cent of the total production.

While the number of workers at the productive base of industry and agriculture have declined, the parasitic layers, the small businessmen, the brokers, the merchants and traders have increased by monstrous proportions. According to the French government itself, the number of traders has increased by at least 600,000 since 1939.

With some of the richest land in Europe, France has been forced to import an ever increasing quantity of food, thus adding to its already large external indebtedness. The French deficit in foodstuffs rose from 8 billion francs in 1950 to 66 billion in

1952. The decay of agriculture is a result of the failure of French industry to grow and of the poverty of the working masses, who cannot provide a market for agricultural produce. Again, the state must intervene with subsidies to the farmers to prevent their bankruptcy. In turn, the decline of agriculture has raised the cost of living and accelerated the internal inflation of prices. One result has been the high prices of French manufactures which are unable to compete on the world market. Today, French prices are 15 per cent above those prevailing on the world market.

France lacks the modern industrial base which would permit her to play both the role of a world power and the leader in Western Europe. And yet, despite her internal decay, the French bourgeoisie has desperately striven to maintain its empire as well as its position as the dominant power in the West European concert.

With its own resources, the French bourgeoisie would never have been able to carry on its desperate effort to act like a first-rate power when it has sunk in fact to a fourth-rate level. The secret of the prolonged agony of French society in the post-war period lies not only in the absence of a revolutionary socialist party which could bring about the necessary social transformation but in the subsidies of the United States. The lavish American grants helped the French bourgeoisie to postpone and, thereby, to aggravate its crisis.

Between 1945 and 1947, the United States poured two billion dollars into the French economy to prevent the collapse of the existing social order. Beginning with 1948 and the Marshall Plan, American funds began to flow into France in a more systematic fashion and for a clearly conceived purpose. France was to be the key-

stone of Western defense, that is, the pivot of American political and military strategy in Western Europe.

Between July 1, 1948 and June 30, 1952, France received almost three billion dollars in aid from the United States. This sum represented more than twenty per cent of the thirteen billion dollars advanced by the United States to its "allies" in this period. How was this money used?

It did not raise the living standards of the French workers. It did not stem the inflationary rise in prices brought about by budgetary deficits. It did not go into the building of new housing for the masses. Nor did it go into the modernization of agriculture.

About one-fifth of these funds was used in executing the Monnet Plan of modernizing French heavy industry. The steel, coal, electrical generating plants, oil-refining, cement, were re-equipped and expanded. However, while the heavy industries were re-hauled, neither agriculture nor the consumers industries — industries affecting the level of consumption—were so favored. Precisely those industries were modernized which could serve as a basis for an armaments program. armament program.

Another substantial portion of American funds went into the domestic rearmament program. In 1949, France was spending one and a quarter billion dollars on defense. By 1953, that sum had quadrupled and reached more than four billion dollars. And under defense must be included the billions wasted on the war of reconquest in Indochina and the maintenance of troops in the North African colonies. Under the delusion of its own imperial mission and the pressure of Washington to carry on a full-scale program of rearmament, the French bourgeoisie rushed head-long toward collapse. The grandeur of its

misery was expressed in its budgetary expenditures and deficits. French government expenditures quadrupled between 1947 and 1953, with military expenditures climbing in the latter year to 36 per cent of the budget. At the same time, the budgetary deficits, that poisonous source of inflation, rose from year to year. From 345 billion francs in 1950 to 398 in 1951, with a sharp leap upward to 793 billion in 1952.

The perpetual, nerve-wracking cycle of wage-raises to keep up with rising prices, and the leap ahead of prices under the stimulus of further budgetary inflation and military expenditures, sharpened class antagonisms to an unbearable and dangerous point. The revulsion of the masses against a state governed by deceit and deficit finally occurred in the late summer of 1953. The critical point of social convulsion had been reached.

The first shock came in August of 1953 when the workers of the Socialist-Force Ouvriere and the Catholic CFTC employed in the nationalized industries rose up spontaneously to defy the Laniel decrees that threatened the pensions of state employees. All the workers in the nationalized industries joined in this elemental movement of protest against a government which sought to stave off its own disaster at the expense of the miserable pensions of the state employees.

The second shock came in late August and October of 1953 when the farmers took direct action to enforce their demands for government subsidies and price supports. The spectacle of the traditionally conservative peasant striking against a government that claimed to represent him was sufficient warning to the ruling class of France that the time was approaching for a drastic change.

WHEN A POLITICAL FIGURE RISES on the parliamentary scene in the role of "national savior," as the man who stands above classes and narrow factional and party interests, we are witness to the opening of the Bonapartist drama, whether in democratic or reactionary costume. The parliamentary forms of bourgeois democracy no longer function and must be curtailed bit by bit. All, of course, in the name of —bourgeois democracy. No matter how Mendes-France may conceive his role, this is the part circumstances have forced and are forcing him to play.

Between 1951, when the Socialists left the government and went into opposition, the French governments have been composed of a coalition of the Right and Center. The parties that have been involved in this conspiracy against the best interests of the French people have been the MRP, the Catholic Center Party, the Right-Wing Conservatives of the Independent-Peasants and the Gaullists. This coalition ruled on the basis of a compromise which insured the promotion of the most important interests of each political group and the social layers they represent. The Gaullists were allowed to dictate policy in Indochina and the North African colonies. In turn they muted their opposition to EDC while it remained a paper project. The pro-American MRP was permitted to enter the Schuman Plan and pay lip-service to the idea of EDC. The Independents were guaranteed a socially reactionary domestic policy which placed the main tax burden on the workers while the business classes and the wealthy escaped entirely.

By mid-summer of 1954, the basis of the reactionary coalition had been destroyed by domestic and international events. The elemental revolt of the workers and farmers in late 1953

showed the danger of continuing a blatantly oppressive policy of low wages, high prices and unfair taxes. It was impossible to continue the Indochinese war without courting complete disaster there and giving impetus to upheavals in North Africa. And in Europe, the United States was pressing for a decision on EDC, while a resurgent Germany grew restless under the limitations on its sovereignty.

If a coalition on the Right was no longer possible, a coalition on the Left was equally impossible. By the common consent of all other parties, the Communist Party was excluded from participating in the formation of a government. The creation of a Left-Center coalition which would command a majority was excluded by the fact that while the Left-Wing of the MRP would have joined a coalition intent on a program of domestic reforms, it was firmly committed to EDC. The Socialist Party was completely split on this question as was the left-wing of the Radical Socialist Party.

The political conditions for the appearance of a "national savior" existed. Mendes-France was that man.

ON MORE THAN ONE OCCASION, Mendes-France has made clear he shares Churchill's conviction that a profound change has taken place in Russian policy and that co-existence is possible. Mendes-France went to Geneva with that conviction and won the day. From the viewpoint of the French bourgeoisie, the first fruits of co-existence were fairly palatable. Instead of losing all of Indochina or risking a Third World War by continuing the struggle with American aid, Mendes-France saved half of Indochina for French imperialism. And it should not be forgotten that the larger part of French investments

are concentrated in Cochin-China, the part still held by the French.

Having turned a national shame and imperial disaster into a personal and popular triumph, Mendes-France returned to Paris to begin the resolution of the most critical issue in French politics today—the question of the EDC Treaty.

In the cabinet discussions which took place around the amendments which Mendes-France was to take to the Brussels meeting of the EDC foreign ministers, he met his first crisis. Although the thirteen amendments were clearly designed to destroy the supranational character of the European Army, three Gaullist Ministers, led by the Minister of Defense, General Koenig, resigned in protest over their conciliatory character. Despite their resignation, Mendes-France could continue his type of struggle against EDC since he knew he had a majority in the cabinet and the National Assembly.

At the Brussels meeting, Mendes-France was adamant in his insistence that the chief amendments be adopted. It is worth pausing to describe their character. The first rejected the supranational character of the European Army, leaving France complete mistress of her armed forces. The second amendment demanded greater veto powers for France in the Council of Ministers, giving France a wider area of control over West Germany and the means to check the growth of her armed forces. The third insisted that the integration of armed units only take place in the "forward areas," that is, West Germany. The final amendment made the life of the European Army dependent on the stay of British and American troops in Europe.

Did Mendes-France really believe his amendments would be accepted by

the other countries associated in the EDC, above all, West Germany? That so realistic and sober a politician could be blind to the meaning of his proposals, all of them designed to tear the heart out of the European Army, is hard to believe.

What the Premier expressed first of all are the imperial interests of France. By retaining complete independence of her armed forces, France indicates that her interests do not run in exact parallel lines with those of the United States, which would like to subordinate the armed forces of her allies to her strategy in Western Europe. Second, there is the unconditional fear that France and her smaller neighbors cannot possibly control a rearmed West Germany. Both the insistence on a complete veto in the Council of Ministers and the linking of the European Army's existence to the stay of American and British troops in West Europe underline French fears. Finally, one must point to the unpleasant element of national chauvinism in Mendes-France's proposal that integrated units be stationed only in "forward areas." With this proposal, Mendes-France provided fuel for German nationalists.

There was one unspoken amendment that Mendes-France did not make at the Brussels Conference, but to which he has alluded on other occasion: the hope for a Big-Power Conference with Russia to settle the German issue on lines that would satisfy French hopes and fears.

On August 30th, Mendes-France fulfilled another promise he had made on taking office: that he would force the National Assembly to decide the issue of EDC one way or another. By a vote of 319 to 264, the National Assembly voted to indefinitely postpone debate on the EDC Treaty, effectively killing it once and for all.

Mendes-France himself played an effective part in defeating the treaty. On his return from Brussels, he made clear that he would not link his cabinet and himself to the fate of the treaty by calling for a vote of confidence on the issue.

By taking his thirteen amendments to Brussels, and by refusing to urge the passage of EDC, Mendes-France identified himself with the anti-EDC coalition of Stalinists, Gaullists, and dissident Socialists of the Moch-Mayer faction. What Mendes-France shares with these political elements is the belief that the creation of EDC would permit an armed Germany to dominate and drag a West European coalition after her in dangerous adventures to restore her territorial integrity and to recoup her lost lands beyond the Oder and Neisse. Furthermore, there is the desire to leave the door open for negotiations with Russia, a door that would be closed if Western Europe were organized under American aegis in a single, integrated European army.

Mendes-France declared in his speeches to the National Assembly that one of his reasons for forcing a vote on EDC was to heal the unnatural divisions that have fragmented the parties in the National Assembly on this issue and to permit him to create a stable parliamentary basis. He has insisted that his main concern is not EDC but his program of "national renovation." His ambition is to carry out a series of domestic reforms that would permit France to play the role of a first-rate world power and of the dominant nation in Western Europe.

But in forcing the vote on EDC, Mendes-France did not heal the divisions which have fragmented the political parties. In reality, the manner in which the vote was forced only aggravated the antagonisms between the

different groupings that have taken shape on EDC.

To carry out his program of economic reforms, Mendes-France needs the votes of the entire Socialist Party faction as well as of the left-wing of the MRP. But the entire MRP is committed to the EDC, and is now convinced that the premier has become the standard banner of the "neutralists" and the Stalinists. Instead of healing party divisions, the EDC vote aggravated them. In the case of the French Socialist Party, the Executive Committee expelled four of its leading members, Jules Moch, Daniel Mayer, P. Lapie and Max Lejeune. It has also asserted that the fifty-three other members of the SP's parliamentary faction which voted against EDC do not represent the party and cannot speak in its name. Will the Guy Mollet wing of the SP, which favors EDC, continue to support Mendes-France on his domestic and colonial program of reforms?

Premier Mendes-France has voiced his belief that Western Germany must be permitted to arm, and it is this view which separates him from the "neutralist" coalition which brought down EDC. What will happen if Mendes-France attempts to introduce a new treaty, proposing a loose military coalition or alliance, which would grant Western Germany this right? The Stalinists, the Gaullists and the dissident Moch-Mayer Socialists all passionately oppose any form of arming West Germany. On this issue, they would even vote down Mendes-France.

THE DEFEAT OF EDC by the French National Assembly marks a turning point in European and world politics. America's Europe has been still-born and her strategy shattered. The six nations of Western Europe have not

yet been converted into a single military force totally submissive to Washington's dictates.

To that degree, the defeat of EDC represents an opportunity to work for the genuine unity of Western Europe, a Western Union based on the needs and aspirations of the people within its framework and independent of both power-blocs. Such a federation can be created only if socialists and democrats in England, France and Western Germany strive for its realization. A united and sovereign Germany must be fought for and brought to her rightful place within such a democratic union of nations.

The counterproposals offered by Mendes-France are as reactionary as America's original design for Western Europe. Mendes-France remains a representative of his class and of its interests all conceived in the narrow-

est of national terms. The French program of "national renovation" is a challenge to the egotism of the German bourgeoisie, and can only excite the meanest of national rivalries.

As for the neutralists, their proposals are folly and delusion. Within this limited space it is impossible to deal with their ideas, except to note one central thought from which all others radiate: the delusion that co-existence and the stabilization of Europe can be purchased at Germany's expense. A divided, disarmed or neutralized Germany is both monstrous and unrealistic. The German people cannot be denied either their sovereignty or their unity. And any political tendency which bases itself on this idea is preparing to feed the fires of nationalism and chauvinism in Germany.

Abe STEIN
September 14

Crisis of American Socialism

Factors Contributing to Its Decline

One hundred years after the introduction of Marxian Socialist ideas into this country by the post-revolutionary German immigrants, and seventy-five years after the formation of the Social Democratic Party of North America, the socialist movement is at its lowest ebb. Its organizations are few in number; those that exist are small and with little influence. In relation to the many millions of workers and lower middle class people whom they seek to win and influence, the socialist groupings are sects.

Such a condition does, in truth, call for an examination of the causes of the fateful decline of the only social force capable of regenerating and

revolutionizing a decaying society. Studies made of the crisis of American socialism have had unhappy results. For one, these re-examinations have been made either by capitalist opponents of socialism or by apostate socialists. In the first case, we are presented with the repetitious thesis of an American alien to the world and insulated against any "foreign" ideas; in the second, a revision of formerly held socialist views and a re-discovery of an America which does not in fact exist. More recently, these "studies" have appeared in magazine essay form, and in the two-volume work on the subject issued by the University of Princeton Press, under the editorship

of Stow Persons and Donald Drew Egbert.*

No important study of the crisis of socialism, however, has as yet been made by an American socialist, or American Marxist, still adhering to his ideas, on a subject which merits serious attention. Although it does not treat with this problem directly, Ira Kipnis' study** of the most important formative phase of Socialist Party history will be amply referred to in the course of this essay.

The historical factors that need to be considered in understanding the evolution of American socialism are complex and subtle. It is incumbent upon socialists to explain why, in the most advanced capitalist nation in the world, in contrast to most European countries, no mass socialist movement arose to speak in the name of the working class and to challenge the two bourgeois political parties. In England, France, Germany, Belgium, and Italy, for example, such parties made their appearance long ago to challenge the bourgeois parties in the contest for political power. Even after two world wars which so gravely deepened the decay of European society, even after the rise of the post-war reaction of Stalinism, socialist parties, whether radical or reformist, made their reappearance in varying degrees of strength. But in the United States, with no large Stalinist movement to challenge it, socialism has not only failed to experience such a rebirth, it has declined to even smaller proportions. It has done so when, contradictorily enough, the preconditions and the possibilities are present for a swift

development of the political class movement of the American working class.

THE INTELLECTUAL OPPONENTS of socialism explain the failures of American socialism not so much on the shortcomings of the movement and its leaders (they assert this too, however) but on the nature of the society. Briefly, the thesis reads as follows:

Socialism can grow only in those nations where there is a sharp class division and a long-standing class stratification; where there has been a feudal past and strong aristocratic remnants; where there has been no fluid movement of wealth and ownership, and where the capitalist society was outworn, in a process of decay, without resilience, inventiveness, or ability to improvise. American capitalism, if indeed it can even be called capitalism, is different from the European. It is a progressive society. Classes there may be, but the kind of class divisions that existed in typical capitalism are not to be found in the United States. Daniel Bell, an editor of *Fortune* and familiar with socialist theory and history advances the view that American society is not in fact a class society; economy is a "managed" one, a form of a planned economy (Republicans, please note!) and the nation is divided into "interest blocs" or "regional groupings," rather than classes. The differences between the "interest blocs" and "regional groupings" produce conflicts, it is true, but no class conflicts. These differences may be sharp, or they may be resolved and the "interest blocs" coalesce as often as they may separate. No class movement, therefore, is possible in a fluid society such as we have in this country. It is not exactly a new theory, but a skillful version of an old one, for the American bour-

*Socialism in American Life, 2 vol., edited by Stow Persons and Donald Drew Egbert, Princeton University Press.

**The American Socialist Movement 1897-1912, by Ira Kipnis, Columbus University Press, 496 p.

geoisie in its rapacious accumulation of wealth, never failed to assert that this is a classless society.

The verisimilitude in the foregoing lies in the fact that American capitalism did experience an origin and development quite different from any other capitalist nation. Its rise as a capitalist-imperialist power was quite unique. American socialists and Marxists have for the most part evaded their theoretical and political responsibilities by overlooking the unique aspects of our national development in favor of the more simple and abstract scientific socialist theories of capitalist evolution. They did not do what Marx and Engels advised all socialists to do: to be concrete; to understand their national history, traditions and developments so they might be able to apply socialist theory intelligently to the problems of their respective nations. American socialists approached the problems of the class struggle from the point of view of a narrow economic determinism rather than through the incisive, all-embracing and penetrating conceptions of historical materialism.

We shall present what, in our opinion, are decisive and distinctive aspects of American development which determined the unique rise of capitalism and its classes. Some of the phenomena have been cited before, but they have not always been accurately understood. Nor have they been viewed in their total effect upon social developments in this country.

II

To say that the development of the American working class has been intensively uneven, that it is a class without class consciousness, nay, a class with a bourgeois ideology, or a bourgeoisified class, may be sufficient as a descriptive statement which is

both true and untrue. The working class of this country has had a contradictory evolution, just as the socialist movement did. In more than one period of our history, large sections of the native American working class, not immigrants or foreign-born workers, reached a high degree of consciousness and combativeness against the bourgeois ruling class. Class struggles of genuine historical importance have been written permanently into the history of the country. Periodic rises of the working-class movement occurred up to the First World War, and once again during the great crisis of the Thirties. There were simultaneous advancements of socialism. Even as late as the Thirties, the hopelessly reformist Socialist Party became quite radical and began to expand rapidly while retaining its program and "philosophy."

IN THE VERY EARLY years of this nation, before its rapid industrialization, Utopian Socialism appeared on the horizon as millennial hope. The stark, bitter and endless struggle for existence and economic equality in the young agrarian capitalist nation witnessed the flourishing of Owenist and Fourierist socialism. Producers' and consumers' cooperatives arose and disappeared for over forty years. Kipnis points out that between 1820 and 1850 nineteen cooperative colonies were founded under the influence of Robert Owen, and more than forty "Fourierist phalanxes," championed by the elder Albert Brisbane.

These were merely symptomatic developments. The continuous evolution of capitalism in this country precluded any further development of these experiments.

The beginnings of a modern socialist movement in the United States are at least as old as they were in England,

and not far behind any other European country. As a matter of historical fact, socialism arose almost simultaneously in all modern capitalist countries. In the European countries, however, the socialist movement developed steadily and surely to become the movement of the largest class in society. Whether they were called Socialist, Social Democratic, or Labor, these parties became *the* parties of the working class capable of making the bid for political power. Only in this country, despite great promise and possibilities, did such a party fail to mature.

The question naturally arises: was such a party possible in the United States? If such a party was not possible, could a large, substantial, but less influential party have emerged out of the particular and peculiar conditions inherent in the nature of American economic and political development? Or was and is the United States really an exceptional or new type of capitalist nation, with characteristics wholly untypical of "normal" capitalism, different enough to make impossible the creation and growth of a Marxian socialist party and an even larger movement around it?

An answer to these questions, even a provisional one, is long overdue. For in seeking such an answer we are compelled to investigate the genuine problems of American socialism and create a basis for a resurgence of the socialist movement. It is necessary to begin, therefore, at the very beginning. The basic errors of the socialist movement occurred not in its later years but in its formative periods. It never understood this nation, its development, its needs. It never developed a program that provided a perspective capable of leading to the creation of an influential socialist working-class party.

Engels, 'way back in the '90's, spoke of the "exceptional position of the native-born workers" and what an obstacle they were to the newly-risen socialist movement. At the beginning of the crisis of the Thirties, Trotsky attributed the absence of a mass revolutionary socialist party to the nature of the unprecedented development of capitalism and the traditions which accompanied it. Let us see exactly what they meant.

A. The United States began as a colony which established its independence in a revolutionary war against its "mother" country, England. The war for independence was the work of a "minority." That fact is of no decisive significance. The population of the country was small. The revolutionists were in the majority over the loyal supporters of the Crown; the large numbers of "indifferent" people, if they did not actively support the Continental Congress certainly were not hostile to it and the armies it put into the field. A colonial war for freedom, it embraced virtually all political, social and economic groupings in that simple society. Such a struggle, antedating the French Revolution, produced some history-making ideas and documents of a plebeian character, announcing the fiercely democratic aims of an early agrarian, incipient capitalist society.

There was no feudal past to contend with. That meant an absence of feudal class relations and as important as that, the absence of the deadly tradition of feudal relations. Capitalism could develop in this country in a free manner without going through the stage of the internal "bourgeois revolution"—except in the form of the later Civil War.

If the plebeian masses did not have to shake off the remnants of a newly-overthrown feudalism, they did de-

velop a sense of the community of national interests of all the people regardless of conflicts which separated different groupings.

Staunchly democratic, these masses made it impossible for the rise to power of aristocratic tendencies in early American society. When the peaceful economic relations threatened to break out into fierce warfare, as they did more than once, the existence of limitless land and the expansion of the frontier permitted the absorption and softening of these conflicts.

B. From the beginnings of the nation to the Civil War, the United States remained a predominantly agrarian nation. The proletariat which did arise was a scattered group, small in numbers, and certainly not yet a class. So long as the nation spread its borders westward, so long as there was land to be had by settling on it, just so long did internal class relations remain fluid and softened. Moreover, this steady expansion was accompanied by an ever-rising productivity in the land and a growth of manufacture, which translated themselves into a generalized rise in the living standards of all the people. Economic crises arose; but these were shortlived. They were followed by new and unprecedented expansions.

The conflict which overshadowed all others was the Civil War. It not only resolved the great contradiction of American society, but was the impetus to the unprecedentedly swift emergence of modern capitalism with powerful monopolistic beginnings. The fact that the popular mind conceived of the great issues of the war, union and the abolition of slavery, as moral ones, only served to obscure the reality: a development of modern capitalism was not possible without the simultaneous destruction of the

dual economy of the south. The Civil War created a general feeling of unity in the North which transcended the loose and soft class and group antagonisms. Thus, while European society was already sharply divided into distinct social classes the formation of permanent classes in the United States corresponding to modern capitalism was to come only after the Civil War.

The real "industrial revolution" of the nation began then but at a rate of progress unknown to any other capitalist nation. Even before the War, the borders of the country were pushed to the Pacific. Geographic expansion, piled onto economic expansion, offered all peoples the opportunity of escape from given conditions to new situations and produced a general state of social impermanence. The country was endowed with relatively unlimited natural resources. The land, too, was limitless, capable of absorbing millions of people. A new, expanding labor force was provided by mass immigration. A favorable geographic location with little or no military demands made upon it enabled the country to concentrate on economic expansion for fifty untrammelled years.

These were the decisive years of growth, "the Gilded Age" of American capitalism, as Woodward called them. The great monopolies and great family fortunes made their appearance. Class lines were more rigidly formed and the class struggle broke out in vigorous response to the severe exploitation which accompanied this tremendous growth of capitalism. These were not small skirmishes between impermanent and competing, undefinable, economic groupings, but genuine conflicts between class and class. The former unstable equilibrium of American society was replaced by the new one based on industry,

finance and hardened class division in contrast to the agrarian decades. Yet, though class relations were becoming firmly established, the possibility of movement was still present to a great extent. The tremendous growth of the United States not only created a modern proletarian and bourgeois class, but also an enormous new middle class, completely subordinated to and at the mercy of Big Capital.

C. From 1870 to 1900 we saw the consolidation of the bourgeoisie and its virtual "ownership" of the government which spared nothing to insure the economic and political domination of this new class. Middle class and agrarian revolts against the "octopus" took the political form of Populism. The new working class, without important traditions and without a significant social and political ideology, fought back with the only "natural" methods at hand, the strike. The new capitalist class, young, vibrant, powerful and with an unshakeable faith in its own destiny, responded to strikes with a fury hitherto unknown in American life. Through local police, hired gunmen and thugs, the bourgeoisie sought to resolve all class conflicts.

Thus, the incipient class movement of workers appeared. Unlike the bourgeoisie, the new American working class had as yet no consciousness. Only the bare struggle forced its progressive and militant sections to seek an ideological understanding of the new society. Whatever socialist ideas did exist were to be found mainly among small groups of German immigrants who were themselves isolated from the main stream of the American working class. There was no harmony between the native American workers and the millions of immigrant proletarians who brought with them a pre-history of struggle and ideas. The

American working class had so to speak no pre-history, nor any traditions that might guide it in the newly formed class society of an industrial capitalist America.

Yet, what appeared to be the beginning of permanent formations of proletarian organizations in America were merely temporary groupings isolated from the main trend of the society. Expansion, growth, the unprecedented, continuous increase in production, wealth and the prosperity of the nation served, at each apparently decisive stage of class development, to absorb and soften the class relations. There was enough freedom of movement, enough possibility for changing one's class position, to hinder the rise of a working-class movement of any significance.

To develop class consciousness, class organization, and traditions a relative geographical and industrial stability is required even within a rising capitalism. In contrast to European countries, with fixed borders, small territories, classes of long origin and traditions of struggle, the United States presented a picture of impermanence and instability. There was nothing settled about the American nation. Not until the Thirties did the United States exhibit what every Marxist knew: its basic capitalist characteristics which had finally caught up with all the illusions about it.

As long as there was this instability, as long as there remained a possibility of inter-class movement, breath-taking expansion and prosperity, it was not possible to develop the kind of class movement which arose in Europe, even though socialist ideas had already appeared in organized forms.

The period of beginnings of union and socialist organizations was one of great hustle and bustle. There was

no time for settling down. Industries were born, old ones expanded, and new lands opened. The population increased and moved ever onward toward the west. Despite the climate of never-ceasing change, of growth and movement, of new wealth and prosperity, a whole new era tacked on to a historical background unfavorable to the growth of socialism, and unionism as well, the first union and socialist organizations made their appearance. In the most important industrial areas, the Knights of Labor and the American Federation of Labor were born as the organizations of the skilled craftsmen of American Labor. Socialism was most importantly represented first by the International Working Men's Association, then by the Social Democratic Party of North America, and finally through the fusion of these two into the Working Men's Party of the United States, which thereafter assumed the name of Socialist Labor Party.

Already one can observe a sharp distinction from what appeared to be parallel developments in Europe, a distinction which has had a disastrous effect upon the socialist movement to this very day. In continental Europe, the political and economic organizations of the working class were erected simultaneously. Socialists organized the union movements of the several nations and gave them an ideology and a program to work for in a field separated from but integral to the political activities of the various socialist parties. The union movements of Europe were not merely class economic organizations of the workers, but they reflected, together with the parties, the total class consciousness of the whole organized working class.

In the United States, from the very outset, there was a marked separation between the political and economic

organizations of the workers. This became a "principle" of American union organization. Politics was regarded as something alien to the union movement, although the relationship between the socialists and unionists was still close (Gompers even attended the Brussels Congress of the Second International in 1891.) Underneath suspicion and hostility were unmistakable. "Political neutrality" was a byword of the Knights of Labor; it became a principle of the AFL. By that they did not mean political neutrality before all political parties, but only in a choice between the two bourgeois parties which the AFL did not regard as class parties but as representatives of all sections of society.

Although the Socialist Labor Party tried desperately to win control of the union movement and establish the kind of relationship which existed in Europe, the resistance of the pure and simple unionists was too powerful. The petty-bourgeois ideology of the union movement accurately reflected the objective conditions of the nation. Then, too, the methods of the Socialist Labor Party, composed largely of immigrant socialists, were highly objectionable. The party was ideologically out of tune with the real America. It did not have a genuine perspective of the problems and needs of the American working class, nor did it really understand the nature of American developments. And although it did champion the progressive idea of industrial unionism against the crippling, debilitating and self-defeating practice of craft unionism, its haughty, sectarian and ultimattistic attitude toward the AFL resulted in its almost total isolation from those sections of the working class which were organized and therefore made up the advanced section of the proletariat.

Frederick Engels, who interested himself greatly in American affairs, studied its problems very minutely and wrote some brilliant observations and proposals to the American movement (he even visited the country in 1888). He was much concerned and overwrought at the failings of American socialists who professed themselves the direct representatives of Marx and Engels and their scientific socialist ideas.

In a sometimes pedagogical and friendly tone, and at other times in anger, he tried to draw the attention of the Americans, most particularly the arrogant German immigrants, to what the real problems of the country were. More than that, he endeavored to explain from England what the American socialists did not understand about themselves and their own country, what tasks confronted them and what program they should pursue. We shall refer to him in some detail to show first, that he had no illusions, or few of them, about the United States; second, that through the method of historical materialism he understood better than anyone else at that time the nature of the new country; third, that he did not suffer from opportunism or sectarianism (the two diseases which contributed so heavily to prevent the rise of a substantial socialist party in this country); and finally, that while he erred in the matter of time, he was correct in his main recommendations.

Toward the end of 1892 he wrote to Frederick Sorge:

... Here in old Europe things are somewhat livelier than in your "youthful" country, which still doesn't quite want to get out of its hobbledehoy stage. It is remarkable, but quite natural, how firmly rooted are bourgeois prejudices even in the working class in such a young country, which has never known feudalism and has grown up on a bour-

geois basis from the beginning. Out of his very opposition to the mother country—which is still clothed in its feudal disguise—the American worker also imagines that the traditionally inherited bourgeois régime is something progressive and superior by nature and for all time, a *non plus ultra* [not to be surpassed]. Just as in New England, Puritanism, the reason for the whole colony's existence has become for this very reason a traditional heirloom and almost inseparable from local patriotism. The Americans may strain and struggle as much as they like, but they cannot discount their future—colossally great as it is—all at once like a bill of exchange: they must wait for the date on which it falls due; and just *because* their future is so great, their present must occupy itself mainly with preparatory work for the future, and this work, as in every young country, is of a predominantly material nature and involves a certain backwardness of thought, a clinging to the traditions connected with the foundation of the new nationality. The Anglo-Saxon race—these damned Schleswig-Holsteiners, as Marx always called them—is slow-witted anyhow, and its history, both in Europe and America (economic success and predominantly peaceful development) has encouraged this still more. Only great events can be of assistance here, and if, added to the more or less completed transfer of the public lands to private ownership, there now comes the expansion of industry under a less insane tariff policy and the conquest of foreign markets, it may go well with you, too. The class struggles here in England, too, were more turbulent during the period of *development* of large-scale industry and dies down just in the period of England's undisputed industrial domination of the world. In Germany, too, the development of large-scale industry since 1850 coincides with the rise of the Socialist movement, and it will be no different, probably, in America. It is the revolutionizing of all established conditions by industry *as it develops* that also revolutionizes people's minds.

Earlier that year he directed the following comments to Herman Schlueter, editor of the New York *Volkszeitung*, indicating how accurately he measured the development of the working class:

Your great obstacle in America, it seems to me, lies on the exceptional position of the native-born workers. Up to 1848 one could speak of a permanent native-born working class only as an exception. The small beginnings of one in the cities in the East still could always hope to become farmers or bourgeois. Now such a class has developed and has also organized itself on trade-union lines to a great extent. But it still occupies an aristocratic position and wherever possible leaves the ordinarily badly-paid occupations to the immigrants, only a small portion of whom enter the aristocratic trade unions. But these immigrants are divided into different nationalities, which understand neither one another nor, for the most part, the language of the country. And your bourgeoisie knows much better even than the Austrian government how to play off one nationality against the other; Jews, Italians, Bohemians, etc., against Germans and Irish, and each one against the other, so that differences in workers' standards of living exist, I believe, in New York to an extent unheard of elsewhere. And added to this is the complete indifference of a society that has grown up on a purely capitalist basis, without any easygoing feudal background, toward the human lives that perish in the competitive struggle. . . .

In such a country continually renewed waves of advance, followed by equally certain setbacks, are inevitable. Only the advances always become more powerful, the setbacks less paralyzing, and on the whole the cause does move forward. But this I consider certain: The purely bourgeois foundation, with no prebourgeois swindle back of it, the corresponding colossal energy of development, which is displayed even in the mad exaggeration of the present protective tariff system, will one day bring about a change that will astound the whole world.

At two separate periods it appeared that the above prediction was being realized, but, alas, two world-shaking events were to prove the undoing of the movement. But even in those years, Engels understood the tasks of the socialists better than not only his contemporaries, but those who tried to build a movement in the decades of the new century.

Writing to Sorge in 1892 on the political problems, he said:

There is no place yet in America for a *third* party, I believe. The divergence of interests even in the *same* class group is so great in that tremendous area that wholly different groups and interests are represented in each of the two big parties, depending on the locality, and almost each particular section of the possessing class has its representatives in each of the two parties to a very large degree, though *today* big industry forms the core of the Republicans on the whole, just as the big landowners of the South form that of the Democrats. The apparent haphazardness of this jumbling together is what provides the splendid soil for the corruption and the plundering of the government that flourish there so beautifully. Only when the land—the public lands—is completely in the hands of the speculators, and settlement on the land thus becomes more and more difficult or falls victim to gouging—only then, I think, will the time come, with *peaceful* development, for a third party. *Land* is the basis of speculation, and the American speculative mania and speculative opportunity are the chief levers that hold the native-born worker in bondage to the bourgeoisie. Only when there is a generation of native-born workers that cannot expect *anything* from speculation *any more*, will we have a solid foothold in America! But, of course, who can count on *peaceful* development in America! There are economic jumps over there, like the political ones in France—to be sure, they produce the same momentary retrogressions.

The small farmer and the petty bourgeois will hardly ever succeed in forming a strong party; they consist of elements that change too rapidly—the farmer is often a migratory farmer, farming two, three and four farms in succession in different states and territories, immigration and bankruptcy promote the change in personnel in each group, and economic dependence upon the creditor also hampers independence—but to make up for it they are a splendid element for politicians, who speculate on their discount in order to sell them out to one of the big parties afterward.

The tenacity of the Yankees, who are even rehashing the Greenback humbug, is a result of their theoretical backwardness and their Anglo-Saxon contempt for

all theory. They are punished for this by a superstitious belief in every philosophical and economic absurdity, by religious sectarianism, and idiotic economic experiments, out of which, however, certain bourgeois cliques profit.

WHAT DISTURBED ENGELS above all was the failure of the socialists to understand the nature of the country or the tasks of socialism in this "peculiar" and "exceptional" nation. In the numerous letters which he exchanged with personal and political friends, he tried as patiently as possible, to indicate correct perspectives and tactics for the movement. Through these years his trenchant criticism of the "arrogant" German immigrant socialists and the sectarian and stiff-backed Socialist Labor Party (dominated by the same immigrants), became open opposition to their policies and practice.

When in March, 1893, Mr. F. Wiesen of Baird, Texas, wrote critically about social democrats putting up candidates for elective office Engels replied, of course, that there was no principle involved and added about the United States that:

... the immediate goal of the labor movement is the conquest of political power for and by the working class. If we agree on that, the difference of opinion regarding the ways and means of the struggle to be employed therein can scarcely lead to differences of principle among sincere people who have their wits about them. In my opinion those tactics are the best in each country that leads to the goal most certainly and in the shortest time. But we are yet very far from this goal precisely in America, and I believe I am not making a mistake in explaining the importance still attributed to such academic questions over there by this very circumstance. . . .

Engels' observations and opinions were not given much heed by the organized socialists. He lost all patience with their sectarian and ultimatic attitude to the working class, and his

comments became more and more severe. In a letter to Schlueter, he wrote:

The German Party over there must be smashed, *as such*; it is becoming the worst obstacle. The American workers are coming along all right, but just like the English they go their own way. One cannot drum theory into them beforehand, but their own experience and their own blunders and the resulting evil consequences will bump their noses up against theory—and then all right. Independent peoples go their own way, and the English and their offspring are surely the most independent of them all. Insular stiff-necked obstinacy annoys one often enough, but it also guarantees that what is begun will be carried out once a thing gets started. . . .

What did Engels have in mind? He knew at first hand that it had taken the European working class at least five decades to evolve its proletarian organizations in countries of long existence, with a continuity of peoples and traditions and where class divisions were not only understood by everyone, but taken for granted. There were strong bourgeois and democratic revolutionary traditions on the Continent, and yet years and years went by before the European proletariat proved capable of becoming a class for itself.

In the United States, events had moved much quicker without the great experiences of the European workers. Just as the nation had to start at the beginning, so to speak, so, too, the working class. But within a short number of years, the American working class, which American public opinion in 1885 held was not a class, organized its first union and socialist bodies. Great class battles burst out, the historic struggle for the eight-hour day began (yes, the struggle for the eight-hour day, a momentous demand, began in the United States!), the Pennsylvania miners' strikes took place, followed by

struggles in Chicago and Milwaukee. An incipient labor party made its first appearance in New York, Chicago and Milwaukee.

Following the pattern of European developments a few decades later, these were the first expressions of class consciousness, which seemed to become transformed immediately into political party organization. But it was only the first expression and the first attempt. It did not develop very far, for already other tendencies invaded the field. et the organized socialists, particularly the Socialist Labor Party, which already put itself forward as *the* party of the working class *demanding* that the working class must support it, opposed all such independent political developments.

As early as 1887, Engels wrote a rather pointed analysis of the political situation. After describing enthusiastically the prospect of an American labor party and analyzing the various forces in the country he came finally to the SLP. He wrote:

The third section consists of the Socialist Labor Party. This section is a party but in name, for nowhere in America has it, up to now, been able actually to take its stand as a political party. It is, moreover, to a certain extent foreign to America, having until lately been made up almost exclusively by German immigrants, using their own language and, for the most part, little conversant with the common language of the country. But if it came from a foreign stock, it came, at the same time, armed with the experience earned during the long years of class struggle in Europe, and with an insight into the general conditions of working-class emancipation, far superior to that hitherto gained by American working men . . . but . . . they will have to doff every remnant of their foreign garb. They will have to become out and out American. They cannot expect the American will come to them; they, the minority and the immigrants, must go to the Americans, who are the vast major-

ity and the natives. And to do that, they must above all things learn English. . . .

To bring about this result, the unification of the various independent bodies into one national labor army, with no matter how inadequate a provisional platform, provided it be a truly working-class platform—that is the next great step to be accomplished in America. To effect this, and to make that platform worthy of the cause, the Socialist Labor Party can contribute a great deal, if they will only act in the same way as the European Socialists have acted at the time when they were but a small minority of the working class. . . .

IV

The objective development of the United States in the new century did not allow for the settling process to which Engels had looked forward. On the contrary, some of those very characteristics remained in the period of greater class cohesion which had forestalled the development of the political movement of the working class. Neither the Socialist Labor Party, nor its successor, the Socialist Party, understood or cared about Engels' opinions and proposals to them.

The aristocratic position of the American working class remained even as its class position became consolidated. It continued to be an "exceptional" working class. Ideological backwardness remained a hallmark of the working class, organized and unorganized. All of this was true, despite the outbreaks of class struggle which surpassed all previous experience. The fact remained that the process of maturation of this capitalist society did not take place until the end of the Twenties and the tasks which Engels believed were posed to American socialists remained present and to a fundamental degree remain to our very time.

The American working class has never yet become transformed, in Marx's terms, from a class *an sich* (in

itself) to a class *für sich* (for itself). That is, it never became class conscious and remains to this day a bourgeois-minded, or bourgeoisified, working class which has reached the stage only of union consciousness. This was the raw material out of which it was hoped to build the movement of socialism.

IF ALL THIS BE TRUE, and we believe it to be incontestable, then the socialist movement faced an insuperable task. Clearly, in retrospect, it was impossible for the American movement to duplicate the success of the European socialists. It was not possible to organize this kind of working class as a socialist class, in the form of *the* third party in American politics. But, if that was not possible it was yet possible to create a large and influential movement capable of realizing its historic mission when the changes that were certain to come did, at last, arrive. The background reasons for this failure are to be sought not with the beginning of Stalinism in this country or the Socialist Party of 1920-1950, but in the formative years of the Socialist Party from its birth in 1900 to the presidential elections of 1912.

It is too bad that Kipnis' book which describes these years in great detail contains no reference to Engels' penetrating observations. He might then have been able to relate the material of his book to the theoretical and political views of the leader of world socialism and have drawn the indicated lessons from the great experiences of the party. The book is so splendidly documented, however, that the following observations draw naturally upon that material.

The Socialist Party was the result of a fusion of the "left wing" of the Socialist Labor Party under the

leadership of Hillquit, Untermann, Harriman, Max Hayes, and William Mailly among many others, and the Social Democratic Party, whose outstanding leaders included such disparate figures as Victor Berger, the narrow-minded, anti-Marxist, reformist director of the Wisconsin organization, and Eugene V. Debs, the outstanding working-class leader of his times and an uncompromising rebel.

In the first years of its existence, the new party had to overcome the effects of the split with the DeLeonist SLP to guide the fused organization, composed of an almost unimaginable combination of forces from a non-socialist right wing to the sectarian, militant left, to a more normalized existence. The unity was not easily come by. Berger, Seymour Stedman, and Berger's right-hand man, Frederic Heath, were not too eager for fusion, having felt that the "left" SLP ought to join the Social Democratic Party. Were it not for the vigorous pressure of the ranks of both organizations, unity would never have taken place. The "manipulators" at the summits of both organizations would have seen to that.

The militant Washington State organization of the SDP attacked the leadership and accused it of trying to attract "all the 'Reformers' . . . [who] are 'Socialistically inclined.'" With the magic name of Debs [who differed with the leadership on almost all questions and who was despised by them—AG] at the head of the party ticket, that policy may win votes, but they will not be socialist votes." Berger, in an editorial in the *Social Democratic Herald*, wrote an attack on unity and denounced the Hillquit SLP for its "faith in Marxism"!

Berger, whose deadly influence on

the Socialist movement has never yet been lived down by the SP, could not even tolerate Hillquit's lip service to Marxism. The fact that Hillquit was not a Marxist did not stop this pro-German chauvinist with anti-Semitic feelings from denouncing Hillquit as a "thorough class conscious lawyer of New York," a "Polish apple Jew," a "Moses Hilkowitz from Warsaw," and a "rabbinical candidate."

For all their boasting, the SDP leadership lacked the strength to compete with the "left" SLP. Neither could it resist the pressures of the rank and file and the various proposals for unity carried in both parties despite the opposition of Berger, Stedman and Margaret Haile. After a brief period of the existence of several "unified" organizations, the Socialist Party emerged in the elections of 1900 with Debs as presidential candidate. The party polled 96,000 votes in its first campaign, surpassing the much older SLP. Henceforth, the political vote of the party was to increase until it reached 900,000 votes in 1912.

"The new Socialist Party," writes Kipnis, "was united structurally by a loose party federation. Ideologically, however, there were few signs of unity. Almost all party leaders gave lip service to the philosophy of scientific socialism as expounded by Marx and Engels. . . . But when party leaders attempted to apply Marxism to twentieth century America, considerable disagreement appeared among the 'scientists.'"

By 1904, the party was divided into three indistinct factions of Right, Center and Left. The Right, in the beginning at least, represented those elements in the SDP which had opposed unification. The Center and Left came from the SDP faction which had its center in Massachusetts and

from most of Hillquit's former organization. The latter made up the majority of the party. It was presumed to stand on the principles of Marx. The truth was that few in the party knew or understood the principles of Marxism.

The center-Left coalition, for example, "explained that the science of socialism was based on the 'economic interpretation of history,' or as Marx 'unfortunately' called it, the 'materialist conception of history.' They considered Marx's name for his theory 'unfortunate' because it tended to inject historical materialism into the conflicting ideologies of philosophic materialism and idealism." This is only one example of the kind of ideology that prevailed in the party, and it was not the worst by far.

In the person of Victor Berger, the party had a vigorous leader whose participation in a socialist organization remains a mystery to modern students. He was an American edition of Edward Bernstein, the father of socialist revisionism, but that was the only way in which he did resemble the learned and capable leader of German reformism. In all other respects, he was more nearly the opportunist type of American radical, often found in either the Republican or Democratic parties. His socialism consisted in a struggle for government ownership and "municipalization," to be achieved in an electoral struggle against the Republicans and Democrats. The program of this right wing bore a close resemblance to Populism, from which it borrowed many of its ideas. Little wonder it was that the center-left bloc appeared quite radical to the right wing and the bourgeois world at large. The Center-Left bloc saw the revolutionary movement consisting of "three concentric circles."

An outer ring of Americans with a "dim, nebulous something called radicalism," a middle ring of those who accepted and voted for the ideas of socialism, and an inner ring of active, organized, party socialists. The Center-Left bloc of the party sought not only to win votes but to build the party into a mighty organization. There was no agreement within this bloc on the best elements that make up a socialist party. The Left expressed its strong doubts about the middle class and the Center emphasized the unity of brain and manual workers, expressing the fact that there were few or no workers among its leading elements. In general, the conception of workers' power in this Center-Left bloc was naive and confused, just as the ideology of the whole party over an extended period was reformist, unreal and naive.

When the Center and Right formed their unity against the Left, they not only dominated the party as a whole, but produced an alien ideology and tradition that continues in one form or another until this very day.

The party was to become, and in fact did become, a purely electoral organization. It sought political power in order to effect its program of nationalization of, at one time, the monopolies, and at another, the "public utilities." This program was to become the sum total of the socialist program around which its ideology revolved. Composed largely of middle-class elements, the program of the new Right-Center bloc reflected the dual interests of this group and the labor aristocrats in its ranks. In contrast, a large part of the Left wing was made up of manual workers, adherents to industrial unionism, and those who professed themselves to be Marxian socialists, even though they did not always know what Marxism meant.

In order to carry out a semi-Populist, purely reformist program in competition with the reformists of the Democratic Party and the Teddy Roosevelt Progressives, both of which won considerable strength from the Socialist Party, Berger had to amplify his opportunist policies with a broadside attack on Marxism, the object of which was to demonstrate the respectability of the party and to win the support of the middle class and, believe it or not, the capitalists themselves. Proudly assuming the mantle of the "American Bernstein," he launched an attack on the whole system of Marxism.

The Right held that the conception of workers winning elections and then inaugurating socialism was false. It held such a theory to be "utopian and unscientific." No doubt it was, but the reason the Right rejected the theory was because "Socialism was partly here now [in 1904], and more of it was coming every day" in the United States and under the bourgeois government. Proof of this expansion of socialism within capitalism were "limitation on dividends of public service corporations, the police department, the post office, and municipal ownership of street railways. Socialism was to replace capitalism by a gradual process of growth. It was to permeate and transform the capitalist system." What remained for the Socialist Party? To increase this permeation and transformation! In the conception of the Right, socialism was inherent in the capitalist organization, was already present and growing, was, in fact inevitable!

The Right was not for nationalization. As Kipnis points out, they believed that economic justice "like charity, began at home." Home was the municipality. Thus, home rule

was a great ideal of the Right. This was followed by municipal ownership of public utilities, better schools and hospitals, and civil service reform. How did this differ from the bourgeois reformist parties? Oh, a great deal. The bourgeois reformist parties were interested in municipal ownership "in order to lower taxes, while the Socialists wanted to use the profits to aid the workers."

So insular, provincial and narrow-minded was this Right Wing that they found it necessary to assert that such a program could not be understood in New York City "that Babel of sin and devilry. There can be no doubt that even Socialism and Socialists will become corrupted—or rather poisoned—in that sea of evil." The hope of socialism lay in the smaller cities like . . . Milwaukee and San Francisco!

The Right "warned that if socialism were just a proletarian movement it could have no hope for success. The proletariat was not 'ripe for socialism.'" Moreover, the masses were stupid, indolent philistines. Social progress was not carried by workers but by the intellectual "cranks," the intelligent men who would guide socialism rather than the ignorant and desperate workers trying to obtain socialism through force and bloodshed. "Class consciousness," said one of them, "is the idol of narrow-minded, dogmatic, pseudo-scientific Socialists of the orthodox type."

If this was not in accord with the ideas of the *Communist Manifesto*, so much the worse for Marx's historic work. It was necessary to realize now that "the ruling and ruled classes . . . stood on exactly the same footing before the law . . . wage workers in progressive countries have the same political rights as capitalists."

Until the Right and Center came together, the above ideology did not dominate the party, but shortly after this alliance, Victor Berger and his hosts made such theories and practice those of the party as a whole. If Hillquit did, on ceremonial occasions, pay tribute to Marx and his system, he managed at all other times to pursue a policy not in any principled way different from those of Berger, assenting more than once that the Socialist Party was not a Marxist party.

This alliance could not but force into opposition the forces of Left. The Left, whose revolutionary instincts and concepts were far superior to that of the Right-Center bloc, was itself without a consistent theory. It was sectarian in many important ways and although it fought vigorously against the dominant party faction, its lack of theoretical clarity and a correct program of trade-union work did not help its struggle in a party which very quickly became a party of middle-class adventurers, job-seekers, and opportunists.

Between 1905 and 1912, the issues came to the forefront and remained in dispute until the Left was dispersed. The dispute intensified with the formation of the Industrial Workers of the World in 1905. Leading socialists like Haywood were founders of the IWW. Every officer at the time was a member of the Socialist Party. The movement arose as a reaction to craft unionism of the AFL. The leaders in the IWW contended, and quite correctly, that given the nature of American industrial development, the working class could not be organized, except on an industrial basis. As long as the AFL refused to change its form of organization or its orientation, it remained an aristocratic labor organization of the skilled

workers and left the unskilled, the manual worker, who constituted the majority of the working class to the mercy of the capitalist class. The industrial unionists contended that no great socialist movement was possible without industrial unionism.

Although the party was oriented toward the AFL, it dared not openly denounce or disassociate itself from the I.W.W. if only for the reason that, in large measure, the IWW was a creature of the SP. For a number of years it sought the endorsement of the AFL. It adopted the theory of separate domain: the economic activity of the working class belonged to the trade unions; the political activity to the Socialist Party. The party had no right to dictate policy or tactics to the unions; the unions ought not to dictate political matters to the party but should support it on the political field as the working man's party.

The syndicalist idea gathered strength under these conditions. Many good socialists who became known as the "Wobblies" in the party, did not begin as syndicalists, but as industrial unionists. They were firmly convinced that the AFL would never organize the American working class and they were right at least up until the great crisis when the CIO was born and revolutionized the entire labor movement. The party's ambiguous attitude toward industrial unionism and its equivocal relations with the IWW, at the same time that it curried favor of the AFL hierarchy, drove many fine unionists completely out of the corrupt AFL into the IWW and to pursue a syndicalist course.

The IWW did not begin with a program of opposition to political action or activities. That position arose somewhat later and no small reason

for it was due to the reactionary campaign which the Right-Center leadership carried on against the IWW and its own comrades, who did a heroic job in trying to organize the lower strata of unorganized and unskilled workers. Indeed, Haywood was very active in many political campaigns of the party and so were countless other IWW workers and leaders. It was disgust with the type of political campaigns that the party carried on that drove many socialist Wobblies to adopt a disastrous anti-political policy. Certainly, Hillquit's frameup to remove Haywood from the leadership of the party, following his election to the leading committee by the second highest vote of the membership, did not help.

In truth, however, the party was embarrassed by the IWW not only because of the strong current of syndicalism within its ranks, but even more so because of its militancy and the fights it waged. It was even embarrassed by the Wobbly struggle for free speech. Berger and the Wisconsin organization repeatedly threatened to leave the party and demanded on one occasion after another that the party choose between the "rabble" and the "respectable" social democrats. Again and again the party refused to support the *political* activities of the IWW. No wonder Haywood declared that the IWW had participated in far more political activity than the Socialist Party ever did.

Gene Debs, who sadly avoided all factional struggle within the party, sided openly with the IWW and the comrades of the left. He was intensely hated by the Berger Right Wing. Present-day socialists ought to know that every nominating convention of the old Socialist Party broke out into a struggle over the nomination of

Debs. The Right Wing consistently opposed his candidacy, rejecting Debs as an irresponsible rabble rouser. If Debs was the party candidate in all presidential campaigns until 1916, when in the heat of war patriotism, Berger finally succeeded in preventing his nomination, it was the continuous revolt of the ranks that made it possible. Debs, who was tolerated by the Right-Center bloc because of his great popularity with the rank and file in the party and tens of thousands of workers who voted Socialist, had no great power inside the party. But he was in sentiment strongly attached to the left.

The victory of the Right-Center bloc began the most lurid period in the history of American socialism, a period which was to leave its mark on the party. With the adoption of the opportunist reformist program of competition with the Teddy Roosevelt Progressives and the Democratic Liberals, there was not much to distinguish the three, except the composition of the respective organizations, their respective traditions and names. No, there was something more. The Bull Moosers and the Democrats were comparatively cohesive organizations, while the Socialist Party did contain revolutionary elements which gave the party its contradictory appearance.

The new leadership strove hard to change the complexion of the party. The "party" press had wide circulation, tens of thousands of readers and, aside from *The International Socialist Review*, was mainly in the hands of the Right Wingers, the outright non-socialist reformists and refugees from Populism. They gave socialism an entirely different meaning than the founders of scientific socialism, but it was in accord with the ideology

of the leadership. The party attracted adventurers of every description: intellectuals who despised the workers, unemployed editors who found jobs through and in the party, ministers of every description who achieved places of leadership in the party—but very few militant workers. This was accomplished by the design of the new party leadership.

And what a party it produced! Its conceptions of socialism have already been indicated. In every important struggle and on every important issue, it equivocated for fear that its respectability might be questioned by the bourgeois world. It hesitated to support the great fight of the Western Federation of Miners in the famous Haywood — Moyer — Pettibone case, even though the leading defendants were members of the party. It warned against "impatient" actions by the workers; it would not tolerate violations of what it regarded as "law and order."

The party was now dominated by men like Berger, Stedman, Spargo, Simons, Barnes and Thompson, while Hillquit and his New York and other Centrist supporters played the role of softening the effects of the course that was to prove permanently disabling for the Socialist Party.

Symptomatic of what was wrong with the party can easily be seen in the great debates on the immigration question. The Japanese Socialist Party had appealed to the American party leaders against the vicious attacks on Japanese and Chinese immigration by West Coast Socialist papers. It asked the party "to be true to the exhortation of Marx—'Workingmen of all countries, unite.'" In March of 1907, the National Executive Committee adopted a resolution, endorsed by the National Committee, which was sub-

mitted by Hillquit to the International Socialist Congress at Stuttgart. The resolution called upon all Socialist parties to educate immigrants in the principles of unionism and socialism and to "combat with all means at their command the willful importation of cheap foreign labor calculated to destroy labor organizations, to lower the standard of living of the working class, and to retard the ultimate realization of Socialism."

Hillquit explained the position of the party leadership as not wholly in agreement with the trade union point of view, but it did oppose "artificially stimulated" immigration, especially from backward countries because the people "are incapable of assimilation with the workingmen of the country of their adoption." The Chinese would be excluded and the exclusion of others would be determined as the question arose.

The Stuttgart resolution rejected the American resolution and adopted one condemning all measures restricting the freedom of immigration on racial or national grounds as reactionary. Recognizing the effects that mass immigration could have on a national working class, the resolution urged the organization of immigrants and the struggle for their political and economic equality. This resolution outraged the Right and sections of the Center and Left wings. Berger denounced Algernon Lee and A. M. Simons, as betrayers of the American proletariat for permitting the passage of a resolution that would admit "Jap and Chinaman" coolies into United States.

The debate prior to the adoption of the resolution and the Stuttgart Congress indicated just how reactionary were the Socialist leaders on this question. The party had been par-

ticularly violent over the danger of the "yellow peril" and joined with Hearst in his foul campaign against the Japanese and Chinese peoples. Ernest Untermann, a leader of the Centrist faction and considered a leading "Marxist" theoretician (they were all theoreticians!) found that he could not oppose immigration on economic grounds alone because that might exclude some desirable whites. "I am," he averred, "determined that my race shall be supreme in this country and in the world."

Berger declared that if socialism was to be achieved in the United States and Canada, these must be kept "white man's" countries. Even Herman Titus, a leader of the West Coast left wing, reminded everyone that racial incompatibility was a fact and that "no amount of Proletarian Solidarity can ignore it. We must face facts."

The December, 1907, NEC meeting considered the Berger-Untermann resolution to reject the Stuttgart position and readopt the American resolution. It was a fact, said Berger, that the country would soon have 5 million "yellow men" invading the country every years. Citing the presence of the Negroes, Berger added that, unless something was done, "this country is absolutely sure to become a black-and yellow country within a few generations." The authors of this resolution adopted Simons' substitute motion saying that the International had no power to determine the tactics of the national parties and that the American party "at the present time, must stand in opposition to Asiatic immigration." This resolution was at first rejected by the NEC but shortly thereafter adopted 26 to 11, insofar as the resolution applied to those "coming from Oriental coun-

tries or others backward in economic development, where the workers of such countries have shown themselves, as a body, to be unapproachable with the philosophy of Socialism." They were, obviously, not nearly as approachable as Berger, Spargo, Stedman, Wilshire, Barnes and others! The debate in the 1908 convention was further evidence of what was wrong with the spirit of the party and what would finally destroy it as a vital socialist organization.

The viciously reactionary position of the leadership was cloaked in reasonable "socialist" rationalizations. The resolutions committee reported a compromise position which asserted the guiding principle of the Socialist movement to be the interests of the working class. Therefore the American working class could not be denied its right to protect its living standards from the competition of "imported laborers" and to do so would be "to set a bourgeois Utopian ideal above the class struggle."

As a sugar coating to its real views, this compromise declared the party opposed all immigration "subsidized or stimulated by the capitalist class," although it could not yet (!) commit itself on legislation designed to exclude any particular race. The committee did not feel itself competent on the subject of racial differences but recommended that the subject be investigated!

If the Committee did not feel itself competent on the subject, almost everyone else did. Gustave Hoehn said that "No mere sentiments or ideals of the present can wipe out the result of centuries of blood and thought and struggle." Another said, "The brotherhood of man has no place in a capitalist society." Berger exclaimed that the white race could

not hope to compete in a propagation contest with the yellow. The first duty of the comrades was to their class and family. The white immigrants or their descendants were striving to raise standards of living while the "yellow races" were not. Now the class struggle dominated Berger's views! Finally, Max Hayes, of the AFL Typographical Union arose to demand immediate exclusion and referred "deprecatingly to Marx's great ideal and slogan. After all, Hayes informed the delegates, Marx wrote sixty years before then and knew nothing of our Pacific Coast"!

The genuine left wing fought back as hard as it could. It prevented the adoption of an "immediate exclusion" resolution, but the committee position did carry. If the party was thenceforth to display an increasing chauvinism which burst forth once more during the First World War, the ideology behind it can be seen in the debate on immigration which was of incalculable significance. For in this debate, one could measure the departure of the dominant party leadership from socialist theory, politics and ideas.

Interestingly enough, the party showed signs of growth and increasing influence. Much of it was due precisely to the reformist and opportunist program and policies of the party, to the manner in which it hid its socialism. This was especially true in small localities, in municipal campaigns. But this is also true: in the great national campaigns, it won its greatest victories only when the Left wing forced upon the party its more militant views; especially when the party found itself drawn into the great New England textile strikes centering around Lawrence, and led by Haywood and other party men. The

party declined in national campaigns when the Left was unable to impose its views and the party competed on "equal" grounds with the bourgeois parties.

V

We believe the evidence is clear: the Socialist party and the movement failed in the formative years not because the movement was Marxist, or revolutionary, but for exactly the opposite reason: it was non-Marxist or anti-Marxist; it was predominantly reformist and opportunist. The defeat of the Socialist Party did not begin with the Left Wing split in 1919, but with the victory of the Right Wing in 1905. The Right dominated the party ideologically and organizationally. Yet the party never did rise to the position of the leading organization of the working class, even if it was not possible for it to become the great third party in the United States.

In all important respects, its perspectives guaranteed its defeat. When it should have been the champion of the great mass of unskilled workers, all of them unorganized, it accommodated itself to the Gompers-led AFL, of craft unionists, the aristocrats of American labor. If it did not openly fight against industrial unionism (in effect that is what it did), it certainly did not help, did not stand out as the leader in the organization of the mass of American labor. Thus, it bound itself to an organized, self-interested, and most bourgeois-minded minority of the American working class.

Even then, it might have been possible to accomplish much given the large support the party had in the AFL, were it not for the fact that once more the party defeated itself with a theoretical and practical theory that surrendered the organized workers to its reactionary labor leadership. The

influencing motive for this policy was the party's desire to win the middle class, whom it regarded as the harbinger of socialism, and sections of the capitalist class itself. It therefore approached the great events of the class struggle with diffidence and ignored such great questions as the organization of the unorganized, the problems of the poor farmers and the Negro question. Where it did express itself, its positions were wrong or reactionary.

The party had no real guiding perspective. If it did, it would have become the champion of an independent labor party for the many reasons that Engels already understood. But, given its views on the nature of socialism and the kind of electoral struggle it did evolve, it is easy to understand why the party regarded the formation of such a labor party as inimical to its interests and fought every manifestation of such a party. It did not set its sights on winning the working class to it and felt victory was certain on the basis of support from the populists, middle classes, and sections of the Republican and Democratic parties. An independent labor party was a competitor!

Thus, the Socialist Party was tied to a labor movement which was small and isolated from the great mass of industrial workers; it rejected a political course that could alone have broken down the barriers to this working class. The party alienated the immigrant workers and it did nothing in behalf of the millions of Negroes. Women's suffrage left the party cold: all it had to offer the millions of women in capitalist society was the "community kitchen" after the achievement of socialism!

THE RESURGENCE OF A LEFT WING in the party after the Russian Revo-

lution was to bring about the great split. This time, no Left force remained in the party. The Socialist Party was now free to pursue its course without serious interference. The objective circumstances were indeed bad for the party in the 1920's. But a new opportunity offered itself in the Thirties, when the party did grow and became more militant. The militancy of the party, however, was pasted onto an ideology not far removed from the old. With the rise of the great struggles of the crisis years and the formation of the CIO, the basic orientation of the party was false: it still opposed the formation of a great class party of the workers, an independent labor party, which would mark the first step in this country of the emancipation of the working class as a class from the bourgeoisie.

The early Communist movement showed signs of real progress despite its own theoretical and political uncertainty. But before this party had a chance to show its mettle, it had already been taken over by Stalinism and its degeneration began almost before it was born. Undoubtedly, it hurt the prospects of the Socialist Party among the class-conscious minority of the working class by its militant *tone* and activity in struggles. The Socialist Party became an inactive organization; divorced from all class activity. It again rested its hopes on a new political formation, not of the labor movement, but of the petty bourgeoisie (LaFollette). It spent most of its time in a feud with the Communist Party, not so much over current questions of the class struggle, but over the 1919 split and the responsibility for the split.

Today, the Socialist Party is a shell of its former self. It hardly exists as

an organization. There is no future for it whatever, since even now, in seeking to emerge from its isolation and despair it turns away from militant socialism, from Marxism (which it regards as outlived) to a reunification with that tendency which bears the greatest responsibility for the demise of American socialism, the Social Democratic Federation.

The need for reconstructing a socialist movement in the United States occurs in unfavorable world circumstances. The rise of Stalinism, which has been so often treated in these pages, is a factor of tremendous difficulty. Even so, the troubles are of a continuous nature and the influences of the past weigh heavily upon the minds of this generation whether they understand it or not.

Socialism failed in the United States to accomplish those tasks which it was capable of solving not because Marxism is outlived and something new is needed, as Norman Thomas declared not long ago, but in large part because the Socialist movement in this country was non-Marxist, if not anti-Marxist; because the main perspectives of socialism were wrong, disorienting and self-defeating in relation to the kind of working class and labor movement we had and continue to have in this country; and finally, because the party was opportunist, ultimatic and isolated from the main stream of the American working class.

The rise of a socialist movement in this country depends today on the rise of a politically-conscious working class, on its separation from the bourgeoisie and bourgeois ideology. That will come about, we believe, in the establishment of an independent political party of the workers, a labor party. This would be the first evidence

that the class as a whole has broken with this society. There are many signs present that such a development can occur quickly. Socialists should

dedicate themselves to the purpose of hastening and influencing such a development. And then we shall see.

Albert GATES

The End of Socialism – II

Deutscher's Analogy of Two Revolutions

At the basis of Deutscher's apology for Stalinism—an apology which we have stigmatized as the end of socialism—lies an utterly grotesque miscomprehension of the difference between the bourgeois revolution which assured the triumph of capitalism and the proletarian revolution which is to assure the triumph of socialism. His entire construction is so superficial, so unhistorical (or supra-historical, which comes so often to the same thing), so contradictory, so crudely in violation of all that the scientific discipline of Marxism stands for and requires, above all from one who continues to proclaim himself a Marxist, that grotesque is not too strong a term to describe it. That such matters have to be dealt with a century after the *Communist Manifesto*, and in such circumstances and in such a way, is a rueful commentary on our situation. It is positively painful to have to deal with them on the low level to which Deutscher forces the debate. But worse than painful, it is a necessity. Deutscher only gives open and crass expression and besprinkles with Marxian jargon those ideas which have poisoned the thinking of tens and hundreds of thousands, and even more, and disposed them to passionate partisanship for Stalinist reaction, at the worst, or to cynical capitulation to it, or to terrified resignation to it, or at best, to piteous hopes for its self-reformation.

One of the most important keys to the understanding of capitalist society is this: *in order to rule socially, the bourgeoisie does not have to rule politically.* To this should be added: *in order to maintain its rule socially, the bourgeoisie is often unwilling and most often unable to rule politically.* And to go back, as it were, to the beginning, this should be added, too: *the bourgeois revolution which has the aim of establishing the social power of the bourgeoisie does not at all have to aim at establishing the political power of the bourgeoisie; indeed, it establishes the bourgeoisie as the social power in the land even when it is carried out without the bourgeoisie or against the bourgeoisie or by depriving the bourgeoisie of political power in the land.* And covering all these conceptions is this: no matter who the leaders and spokesmen of the bourgeois revolutions were, or what they thought, or what they aimed for, the *only possible* result of their victory was the establishment of a new, if more advanced, form of class rule, class exploitation and class oppression by a minority over the majority. These insights, thoroughly acquired, automatically give the Marxist an understanding of bourgeois society, from its inception to its close, that is far superior to anything that any bourgeois scholar or statesman, no matter how liberal, can possibly attain. While the bourgeois flutters and fum-

bles, the Marxist already has the key to such apparently disparate phenomena as, for example, the New Deal and Fascism. Deutscher nowhere shows that he possesses this key. If he ever had it, everything he has written on the subject of Stalinism shows that he has thrown it away. There is no doubt about it, for it is precisely in the five above quintessential respects in which the bourgeois revolution differs from the proletarian revolution, that Deutscher makes the two analogous. The disastrous result could have been anticipated and so it was, for the differences between the two are not only fundamental but irreconcilable.

AT ITS INCEPTION, as it was emerging from the economic egg and developing the economy, the interests and the class character that distinguish it, the young bourgeoisie needed only one thing to guarantee its rule over society: to remove the fetters with which feudalism restricted the expansion of capital. Once these fetters or barriers were removed—*no matter how or by whom or for what immediate reason*—the dominance of self-expanding capital was assured and with it the class dominance of its owners. The political power, the state, under whose sway these barriers were eliminated, might be constituted out of anybody you please—bourgeois, non-bourgeois, anti-bourgeois. But, once the traditional barriers of feudalism were thrust aside, capital rapidly and spontaneously took command of the economy as a whole, incessantly revolutionizing and transforming it, inexorably sweeping aside or subordinating all other forms of economy—and doing all this *with or without* the conscious efforts or support of the state power. To be sure, where the state power was exercised in close harmony with the new, developing economic power,

there the capitalization of the economy proceeded more rapidly and smoothly. But what is important here is the fact that even where the state power sought in one way or another to impede the capitalization, that process continued nevertheless, more slowly, either by bending the state power to its needs or by replacing it by one better adapted to them.

The modern world went through an epoch of change from feudal to bourgeois society because under the conditions of the time there was no way of releasing the productive forces with which society was pregnant, of expanding them to an undreamed-of extent, than the capitalist way. For this reason, both feudalism and communism were doomed in that epoch, even where their representatives held or had the chance to hold political power. The one was doomed because it was obsolete and the other because it was premature; the one was doomed because the productive forces were already so far developed that they could develop no further under feudalism and the other because the productive forces were not yet sufficiently developed to permit the establishment of communism.

There lies the basic reason why, no matter who held the political power during this long epoch, the capitalist economy, the capitalist mode of production and exchange, was strengthened, expanded and consolidated. This made the capitalist class the "economically dominant" class in society, that is, established its social rule regardless of the form assumed by the state. And in turn, again regardless of the form assumed by the state, the fact that it maintained the dominance of capitalist property and therewith the capitalist mode of production, made it willy-nilly a capitalist state. Or, to put it in other words: the social pow-

er, the class power, the state power of the capitalist class is determined and assured by its economic power, that is, its ownership of capital, of the capitalist means of production and exchange. Without this economic power, the bourgeoisie is nothing, no matter what else it has on its side, even if it is the direct aid of God's vicar on earth—it is nothing and less than nothing. With it, the bourgeoisie is the ruler of society, no matter what else is against it.

That is still a very general way of indicating the relationship between the political and economic power in the bourgeois state. As soon, however, as the relationship is examined as it developed concretely, a much more revealing light is thrown upon it and we can move much more surely to the heart of the present-day problem. The sum of the concrete experiences from which our generalizations are derived shows that the earlier the bourgeois revolution was carried through—the more thoroughgoing it was, the more revolutionary was the bourgeoisie, the more directly did it lead the revolution against the old order, the more freely did it arouse the revolutionary and democratic spirit of the people as a whole. And by the same token, the later the bourgeois revolution was carried through—the more stultified and distorted were its results, the more conservative and even reactionary was the bourgeoisie, the more prudently did it shun the role of leader of the revolution, the more eagerly did it seek guidance and protection from despotism and dynasties, and the more antagonistic was its attitude toward the mobilization and activity of the populace as a whole. This can be set down as a law of the development of the bourgeois revolution. It flows from the nature of bourgeois society,

not as an abstraction, but as it naturally unfolds.

THE EARLIER the bourgeoisie appears on the scene to challenge feudalism, the less it has to fear from the "shadow" (as Engels called it) that attends it from birth to death, the proletariat. That proletariat has not yet formed itself into a distinct and independent class; it exists almost entirely in the form of discreet embryos, of forerunners, of urban plebeians. To arouse it (and the peasant masses, too) against feudalism and absolutism presents few difficulties to the bourgeoisie and fewer risks, not a bottom serious. The prophets of the bourgeois revolution, whose sincerity and selflessness need not be questioned, boldly sound the trumpet calls of freedom and equality. The masses are inspired; the hour strikes when revolutions and people are as one; with it strikes the knell of the old order. Up to this point, Deutscher's description of the process is accurate and everything is still in order.

Now follows the period of disorder, even of chaos, often of bitter civil war, all the convulsions attendant upon establishing and consolidating the new order. Now also follows, retrospectively, Deutscher's theoretical absurdity and political disaster. The revolution that the masses have just (or recently) carried out turns out to be incapable of living up to its idealistically-proclaimed aims; incapable, at least for a long time to come. The masses tire of the strain; they relax; they lose faith. What to do? The revolution must go on for its aim is, after all, harmonious with social progress and required for it. The need then arises for a "prophet armed" who, in the word of Machiavelli which it was Deutscher's wretched luck to choose as the motto of his Trotsky biography,

takes "such measures that, when they [the masses] believe no longer, it may be possible to make them believe by force." But even if a prophet must be found to arm himself against the people in order to "make them believe by force," as was the case with "revolutionary despots" like Cromwell, Robespierre, Napoleon and Stalin, their idealistically-revolutionary opponents are Utopians and the despots are openers of a promising perspective for society. So it was in the great revolutions of the old past, so it was in the Bolshevik revolution of the recent past, and so it is, it would seem, in the nature of revolutions in general.

WE REGARD Deutscher's generalization as the grotesque parody of socialism because he applies it indiscriminately (which means, among other things, without the concreteness which science in general and Marxism in particular demand) to the bourgeois and the socialist revolutions. But when it is applied, and properly, to the bourgeois revolutions alone, it is an entirely different matter.

Call the bourgeois revolution progressive or not, necessary or not (Marxists of course regard it as progressive and necessary), its objective aim is incontestable: the establishment of a new social order in which a new class is brought to power in order to rule over, exploit and oppress the majority of the people. The new social order, no matter what else is said about it, cannot be conceived of without the class rule, class exploitation and class oppression which are the very conditions of its existence. At the beginning of the revolution and the constitution of the new order, its prophets, its idealists, its inspired supporters among the toilers, may well have been moved by other considerations. But even if no one sought to

deceive them, they could only deceive themselves. If they looked for that revolution to bring equality and freedom for all, they were mistaken in advance and for certain. Freedom and equality in the bourgeois revolution mean, fundamentally, the free market and equal right of all commodities to exchange at their value; and at best, all political and human freedoms that do not destroy the freedom needed by the owners of capital to exploit the proletariat. More than that could not be granted by the leaders of the bourgeois revolution and the upholders of the new order, regardless of who they were, what they thought, what they wanted, or what they did.

But this is a situation which only reflects one of the basic contradictions not only of the bourgeois revolution but of bourgeois society as a whole. It is a contradiction rooted not in the conflict between easily tired masses and untiring revolutionists, utopians and realists, but *in the conflict between irreconcilable classes*. The early bourgeois revolutions did indeed bring forth Utopian leaders and movements. Deutscher, with a faint trace of affectionate condescension, speaks of them as the "high-minded, Utopian dreamers" of the revolution. Among them he includes the Levellers of the English Revolution, the extreme communistic left in the time of the French Revolution, of the Democratic Centralists and Trotskyists in the Bolshevik Revolution. To some of them, not to quibble about words and decorum among "Marxists," the term Utopian does apply. But it applies solely and exclusively for reasons inseparably connected with the class character of the bourgeois revolution. To the primitive proletariat (or pre-proletariat) of that revolution, there corresponded a primitive communist or pre-communist movement. Such

movements appeared in Cromwell's day, in Robespierre's day, in the days of the German peasant wars, to mention only a few. The struggle against absolutism and feudalism was to be crowned, in their conception, by a more or less communistic equality for all. What was it that fatally doomed these movements and the struggles they conducted, noble and idealistic in purpose though they were, as Utopian? Nothing, absolutely nothing, but the fact that the development of the productive forces, among the most important of which is the proletariat itself, had reached the level which made possible and necessary the class rule of the bourgeoisie (and the subjugation of the proletariat implied by it) but made impossible the rule of the proletariat and the inauguration of a free and equalitarian society of abundance.

It is exceedingly interesting to note what Engels says about this social phenomenon, trebly interesting in connection with Deutscher because, firstly, he quotes from Engels in a deplorably chopped-down version and, secondly, it does not seem to occur to him that the application of Engels thought to the subject he is treating would destroy his whole construction, root and branch and, thirdly, because everything which Engels wrote to lead up to the section quoted might, so far as Deutscher is concerned, have been written in untranslated Aramaic. The whole of his *Peasant War in Germany* is devoted by Engels to this problem as it manifested itself in 16th-century Germany, and his forewords are as if written for illuminating the present debate. In writing about the plebeian revolutionary government over which the peasant leader, Thomas Muenzer, presided in Thuringia in 1525, Engels deals with a dilemma facing a revolu-

tionary leader who comes before his time, as it were.

The worst thing that can befall a leader of an extreme party is to be compelled to take over a government in an epoch when the movement is not yet ripe for the domination of the class which he represents and for the realization of the measures which that domination would imply . . . he necessarily finds himself in a dilemma. What he *can* do is in contrast to all his previous actions, to all his principles and to the present interests of his party; what he *ought* to do cannot be achieved. . . . Whoever puts himself in this awkward position is irrevocably lost.

That is how far Deutscher quotes Engels. Toward what end? To emphasize the suggestion that even Lenin may have been thinking (in 1918) that the Bolshevik Revolution was premature, "a false spring," thus reminding Marxist ears that "Marx and Engels had repeatedly written about the tragic fate which overtakes revolutionaries who 'come before their time.'"—as exemplified by Engels' commentary on Muenzer. And toward what "broader" end? To support "Marxistically" his view that Stalin only carried on in a despotic way the proletarian revolution which Lenin (and Trotsky), because of their dilemma, could not carry out in that way *or* in a democratic way which would correspond to "all his principles and to the present interests of his party." But that is not at all the sense of Engels' view, and as soon as we supply the words which Deutscher supplanted with three periods between the last two sentences he quotes, the reader will be able to judge what Engels was talking about:

In a word, he [the leader of the extreme party who takes power prematurely] is compelled to represent not his party or his class, but the class for whom conditions are ripe for domination. In the interests of the movement itself, he is compelled to defend the interests of an alien class, and to feed his own class with phrases and promises, with the as-

sertion that the interests of that alien class are their own interests. Whoever puts himself in this awkward position is irrevocably lost.

And further:

Muenzer's position at the head of the "eternal council" of Muehlhausen was indeed much more precarious than that of any modern revolutionary regent. Not only the movement of his time, but the whole century, was not ripe for the realization of the ideas for which he himself had only begun to grope. The class which he represented not only was not developed enough and incapable of subduing and transforming the whole of society, but it was just beginning to come into existence. The social transformation that he pictured in his fantasy was so little grounded in the then existing economic conditions that the latter were a preparation for a social system diametrically opposed to that of which he dreamt. (*The Peasant War in Germany*, pp. 135f. My emphasis—M. S.)

We cite Engels at some length not because a quotation from Engels automatically settles all problems, and not even because the best way to know what Engels said is to read what he said, but because the quotation underscores the contrast and the gulf between the supra-historical mystique with which Deutscher invests all revolutions without exception, and the concrete manner in which a Marxist analyzes the class conflicts in every revolution and the specific economic conditions underlying them. From the way in which Engels deals with the problem, we get an entirely different conception of what exactly is the "tragic fate" of the Levellers, Babouvists and other Utopian revolutionary movements.

The Utopians of the early days were Utopians only because objective conditions were not ripe for the victory of their class or for the social order that they dreamed of, but only for the victory of a new exploiting class; they were Utopians only because even if they somehow gained political pow-

er for a while all they *could* do with it was "to defend the interests of an alien class, and to feed his own class with phrases and promises, with the assertion that the interests of that alien class are their own interests"—that is, help establish the social rule of a new exploiting class.

Engels' commentary on Muenzer is no more isolated or accidental in the workers of the two great Marxists, than is the use of that commentary by Deutscher. The same thought voiced by Engels is supplemented and rounded out in the familiar comment made by Marx in 1848 about the social problem faced by the Jacobins in the Great French Revolution more than two centuries after Muenzer.

In both revolutions [the English revolution of 1648 and the French of 1789] the bourgeoisie was the class that really stood at the head of the movement. The proletariat and the fractions of the citizenry that did not belong to the bourgeoisie either had no interests separate from those of the bourgeoisie or else they did not yet constitute independently-developed classes or class segments. Hence, when they clashed with the bourgeoisie, as for example from 1793 to 1794 in France, they fought only for the carrying out of the interests of the bourgeoisie, even if not in the manner of the bourgeoisie. The whole of French terrorism was nothing but a plebeian way of finishing off the foes of the bourgeoisie, absolutism, feudalism and philistinism. (*Aus dem literarischen Nachlass von K. Marx and F. Engels*, Vol. III, p. 211.)

With the true significance of the Utopians, be they primitive communistic or Jacobinistic movements, now indicated by Marx and Engels, the true significance—historical, social, class significance—of the brilliant Florentine's "prophet armed" becomes evident. The fact that the Levellers of all kinds and the Jacobins of all kinds came "before their time," does not suffice to have them leave the political scene with an apologetic

bow. The social reality that follows the revolution only strengthens their determination to carry through the revolution to the ends they dreamed of originally, and in the interests of the broadest masses of the toiling people. The trouble is that the social reality of the bourgeois revolution is and *cannot but be* the class rule of the bourgeoisie. The more apparent that becomes, the more pronounced is the tendency of the masses to "believe no longer." What is this tendency after all? Nothing but the first important manifestation of the irreconcilability of class antagonisms between bourgeoisie and proletariat, which proves to be a permanent characteristic of bourgeois society till its last gasp, which is indeed the motive force determining the course of this society to the end. And inasmuch as the bourgeoisie must strive for the maximum degree of stability and order in which to carry out and maintain its social functions, this disorganizing tendency which appears with its ascension to power (and even before) must be kept in restraint. It is then, and only for that reason, that the "prophet armed" must be at hand. He is absolutely indispensable to the class rule of the bourgeoisie because "it is necessary to take such measures that, when they [the exploited classes] believe no longer, it may be possible to make them believe by force." No wonder Marx thought so highly of Machiavelli, that unmoralizing, realistic, arch-intelligent thinker of the new order and the modern state. The "armed prophet" turned out to be the only thing he could be, what he had to be: the armed power, the police and prisons, required to preserve the oppression and exploitation of the proletariat by the bourgeoisie. The "armed prophet" is nothing but the armed bourgeois state. Everything is as it should be,

for the bourgeois order cannot exist without class exploitation, and that cannot be maintained without the armed prophet who makes them believe by force.

But is that how it should be, or how it has to be, or how it may be, in a socialist society, or in a social order which can be legitimately regarded as a "brand of socialism"? That has become the life-or-death question for the socialist movement, and Deutscher's answer is equal to pronouncing the death sentence upon it.

DEUTSCHER IS OVERWHELMINGLY fascinated—you might also say obsessed—by indiscriminating, uncritical and unthought out analogies between the bourgeois revolutions (the French in particular; but never the American, it is interesting to note) and the Bolshevik revolution, and he explains the outcome of the latter only in terms of the evolution of the former. But if his comparisons are to make any sense, they must be tied together into some sort of systematic thought (if this is not too outrageous a demand to make in our times, when intellectual disorder and frivolity are the peevish but popular form of rebellion against any kind of disciplined and systematized thinking). In which case:

The Trotskyist Opposition, in fighting for workers' democracy, that is, for the rule of the workers, disclosed its Utopian character.

What the Opposition wanted was not only the program of the Democratic Centralists before them, but basically the program for which and with which the Bolsheviks in general won the Revolution of 1917.

The Bolshevik revolution itself, then, was Utopian.

That was so not only and not even because the socialist proletariat and the socialist revolutionaries came to

power "before their time," but precisely because for the necessarily short time that they are in power, they are, like Thomas Muenzer, *"compelled to represent not his party or his class, but the class for whom conditions are ripe for domination . . . compelled to defend the interests of an alien class."*

The Lenins and Trotskys, under relentless objective pressures, could only prepare the ground for the direct and despotic rule of the alien class represented by the "prophet armed" who is needed to make the people believe by force—Stalin.

Under the aegis of the new but this time energetic and forward-driving revolutionary despot, the alien class in power nevertheless establishes a "brand of socialism," without the working class and against the working class inasmuch as "the revolution" cannot be entrusted to a class that "had proved itself incapable of exercising its own dictatorship."

The totalitarian dictatorship against the working class is nevertheless "promising," as capitalism once was, presumably because while the present "brand of socialism" in Russia (and China? and Poland? and East Germany?) established by a class alien to the proletariat (that is, exploiting and oppressing it), will be (or may be?) succeeded by another (less totalitarian?) "brand of socialism" carried out by a class which is not alien (or not so alien?) to the working class, which exploits and oppresses the working class not at all (or not so much?), or which is (perhaps?) carried out by the working class itself which can at last (for what reason?) be "entrusted" with the task of a socialist reconstruction of society (superior to the present "brand"?).

There is one difficulty, among many others, with this chain of monstrous and downright reactionary ideas

which rattle around in Deutscher's mind. It is the difficulty facing every capitulator to Stalinism who is himself—not an authentic Stalinist but who has lost all belief in the self-emancipating capacity of the proletariat: Not a single one of them dares to present these ideas directly, candidly and simply to the proletarians themselves! How we should like to attend a working-class meeting at which any of the multitude of Deutschers of all varieties would say in plain language: "The socialist revolution, which you will make in the name of democracy and freedom, cannot be allowed to submit to your fickle will ('the nature of the people is variable,' says Machiavelli); it is you who will first have to submit to the totalitarian rule of revolutionary despots; for theirs is the inescapable task of wiping out all the Utopians who were your idealistic but quixotic leaders and of making you believe by force that they are establishing a brand of socialism."

Yet—there are people who ask this, especially those who have been influenced by analogies once drawn between bourgeois Bonapartism and what Trotsky so questionably called "Soviet Bonapartism" (and Deutscher is one of those who have been very badly influenced by the very bad analogy—yet, is it not an historical fact that one ruling class can be brought to power by another, in the manner in which Bismarck of the German Junkers consolidated the power of the German capitalist class? And is it not a fact that the bourgeoisie has more than once been deprived of its political power and yet maintained its economic, its social power? By analogy, is that not substantially the same thing that has happened to the Russian proletariat under Stalinism? The alloy in Trotsky's argument was already a base one; in Deutscher it is far worse

because he mixes into it what was so alien to Trotsky—a wholesale capitulation to Stalinism, that is, a capitulation to Stalinism historically, theoretically and politically.

WE HAVE ALREADY INDICATED how and why the early plebeian and even communistic enemies of feudalism, who did indeed come before their time, could not, with the best will or leadership in the world, do anything but establish and consolidate the class rule of the bourgeoisie, even when for a brief period they took political power without or against the bourgeois elements. The very primitiveness, the very prematurity, the very Utopianism of these plebeian movements made it possible for a long time for the bourgeoisie to arouse them against feudalism and to be allied with them in the common struggle. What risk there was, was tiny. But the bourgeois social order is a revolutionary one. It constantly revolutionizes the economy; it creates and expands the modern classes; it expands immensely the productive forces, above all the modern proletariat. And before the struggle with the old order is completely behind it, the bourgeoisie finds itself representing a new "old order" which is already threatened by an infant-turning-giant before its very eyes, the modern socialist proletariat. Now comes a "new" phenomenon, the one already implicit in the futile struggle of yesterday's Utopians against yesterday's bourgeoisie. What is new is that the bourgeoisie dares less and less—to the point finally where it dares not at all—stir up the masses against the old privileged classes of feudalism. What is new is that the bourgeoisie fears to take power at the head of a mass movement which may acquire such impetus as will at an early next stage bring the new revolutionary force, the

proletariat, to power as successor to the bourgeoisie. The bourgeoisie tends now to turn to the reactionaries of the old order as its ally against the young but menacing proletariat. Engels marks the dividing line between two epochs of the development of bourgeois society with the year 1848—the year of a number of revolutionary *proletarian* uprisings throughout Europe:

And this proletariat, which had fought for the victory of the bourgeoisie everywhere, was now already raising demands, especially in France, that were incompatible with the existence of the whole bourgeois order; in Paris the point was reached of the first fierce struggle between the two classes on June 23, 1848; after a fortnight's battle the proletariat lie beaten. From that moment on, the mass of the bourgeoisie throughout Europe stepped over to the side of reaction, and allied itself with the very same absolutist bureaucrats, feudalists and priests whom it had just overturned with the help of the workers, in opposition to the enemies of society, precisely these workers. (*Reichsgründung und Kommune*, p. 93.)

It is out of this relationship between the classes that the phenomenon of Bismarckism (or Bonapartism) arose. The bourgeoisie, faced with a revolutionary opposition, needed a "prophet armed" to protect itself from this opposition and it found one!

There are only two decisive powers in politics [continues Engels]: the organized state power, the army, and the unorganized, elemental power of the popular masses. The bourgeoisie had learned not to appeal to the masses back in 1848; it feared them even more than absolutism. The army, however, was in no wise at its disposal. But it was at the disposal of Bismarck. (*Ibid.*, p. 101.)

In a letter to Marx (April 13, 1866), dealing with Bismarck's proposal for a "universal suffrage" law which was a part of his war preparations against Austria, Engels extends his analysis of Bismarckism beyond the field of Ger-

man class relations and to the bourgeoisie in a more general way:

... after all Bonapartism is the true religion of the modern bourgeoisie. It is always becoming clearer to me that the bourgeoisie has not the stuff in it for ruling directly itself, and that therefore where there is no oligarchy, as there is here in England, to take over, in exchange for good pay, the management of state and society in the interests of the bourgeoisie, a Bonapartist semi-dictatorship is the normal form. It carries through the big material interests of the bourgeoisie, even if against the bourgeoisie, but it leaves it no share of the domination itself. On the other hand, this dictatorship is in turn compelled against its will to promote these material interests of the bourgeoisie. (*Marx-Engels Gesamtausgabe*, III, 3, p. 326.)

And again, some ten years later, looking backward on the significance of the rise of Bismarck-Bonapartism, Engels pithily analyzes its essential characteristics:

Even the liberal German philistine of 1848 found himself in 1849 suddenly, unexpectedly and against his own will faced by the question: Return to the old reaction in a more acute form or advance of the revolution to a republic, perhaps even to the one and indivisible republic with a socialistic background. He did not stop long to think and helped to create the Manteuffel reaction as the fruit of German liberalism. In just the same way the French bourgeois of 1851 found himself faced by a dilemma which he had certainly never expected—namely: caricature of Empire, Praetorian rule, and France exploited by a gang of blackguards—or a social-democratic republic. And he prostrated himself before the gang of blackguards so that he might continue his exploitation of the workers under their protection. (*Selected Correspondence*, pp. 54 f.)

The whole of Bonapartism implies the existence of a revolutionary danger from below ("they believe no longer") with which the ruling class of exploiters cannot cope in normal ways, against which they must summon the more-or-less open dictatorship of a reliable armed force (again

the "prophet armed"!), to which they have to yield political power in order to preserve their social power. And whatever form it has taken, regardless of where and when, from the time of the first Bonaparte to the last Hitler, it was always a matter of the bourgeois being so terrified by the revolutionary spectre that he "prostrated himself before the gang of blackguards so that he might continue his exploitation of the workers *under their protection*."

Whether consciously or only half-consciously, in cold blood or in panic, the bourgeois was right *from his class standpoint*, and he showed that he grasped the problem a thousand times more firmly and clearly that Deutscher has with all his superficial and helplessly muddled analogies. The bourgeois knows that his social power—the dominant power that his class exercises over society and the relative power that he as an individual exercises in his class and through it upon all other classes—rests fundamentally upon his ownership of capital, of the means of production and exchange, *and upon nothing else*. It is not titles or privileges conferred upon him by monarchs or priests, and not armed retainers within his castle walls, but ownership of capital that is the source of his social might. Deprive the bourgeoisie of this ownership, and it becomes a nothing, no matter who or what the political power may be. But if the political regime is republican or monarchist, democratic or autocratic, fascist or social-democratic, clerical or anti-clerical, so long as it maintains and protects the ownership of capital by the bourgeoisie and therewith the capitalist mode of production, then, regardless of what restraints it may place on one or another derivative power of the capitalist class, it is the political regime of capitalism and the state is a capitalist state. Basically, it

is the private ownership of capital that enables the bourgeoisie, in Marx's oft-repeated words, "to determine the conditions of production." From that point of view, Marxists have never had any difficulty in explaining the *political difference* between the monarcho-capitalist state and the republican-capitalist state, the autocratic or fascist-capitalist state and the democratic-capitalist state, and at the same time the fundamental *class or social identity* of all of them.

Or, to put it otherwise: the "norm" of capitalist society is not democracy or even the direct political rule of the bourgeoisie; but the norm of capitalism is the private ownership of capital, and if *that* norm is abolished, you can call the resulting social order anything you want and you can call the ruling class anything you want—but not capitalist.

How is it with the working class, however? Its unique characteristic, which distinguishes it from all preceding classes, may be a "disadvantage" from the standpoint of the shopkeeper, but from the Marxian standpoint it is precisely what makes it the consistently revolutionary class and the historic bearer of the socialist future, is this: *it is not and it cannot be a property-owning class*. That is, its unalterable characteristic excludes it from any possibility of monopolizing the means of production, and thereby exploiting and "alienating" other classes.

IN THE PERIOD between the class rule of capital and the classless rule of socialism stands the class rule of the workers. And it is precisely in this period that the unique characteristic of the proletariat is either corroborated in a new way, or else we may be dead certain that its class rule has not yet been achieved or has already been

destroyed. For once the power of the bourgeoisie has been overturned, and the private ownership of the means of production and exchange has been abolished (more or less), it is on the face of it impossible to determine who is now the ruling class by asking: "Who owns the means of production?" The question itself is preposterous. The revolution has just abolished ownership of the means of production. The bourgeoisie has been expropriated (i.e., deprived of its property). But the proletariat does not now own it; by its very nature it cannot and it never will. Until it is communistically owned, really socially owned (which means, not owned at all, inasmuch as there are no classes and no state machine), it can exist only as nationalized property. More exactly: as *state property*. What is more, there is no longer a capitalist market, and the anarchy of production inseparably associated with it, to serve as the regulator of production. Production is now (increasingly) planned production; distribution planned distribution. Anarchy of production and the automatism of the market must give way more and more to consciously planned production (and of course distribution). This is the task of the state which now owns the means of production and distribution. As yet, it should be obvious, we know and can know nothing about the class nature of the state in question or the social relations which it maintains. And we *cannot* know that from the mere fact that property is now statified. The answer to our question can come *only* from a knowledge of *who is master of the state*, who has the political power.

There is the point, precisely there! The bourgeoisie is such a class that if it retains ownership of the *economy*, the political regime protecting that

ownership maintains, willy-nilly, the rule of capital over society. The proletariat, on the contrary, is such a class that if it retains mastery of the state which is now the repository of the economy, then and only then, in that way and only in that way, is it assured of its rule over society, and of its ability to transform it socialistically.

The bourgeoisie can turn over the political power, or allow the political power to be taken over completely, by a *locum tenens*, to use Deutscher's favorite term for "deputy," so long as the dictatorial deputy preserves the ownership of capital which is the fundamental basis for the power of the bourgeoisie over society in general and over the threatening proletariat in particular. But once the proletariat is deprived—and what's more, deprived completely—of all political power, down to the last trace of what it once had or has in most capitalist countries, what power is left in its hands? Economic power, perhaps? But the *only* way of exercising economic power in Russia (or China, Poland and Albania) is through the political power from which it has been so utterly excluded by the totalitarian bureaucracy. We know how the bourgeoisie, be it under a democracy or an autocracy, is able to "determine the conditions of production" which in turn enable us to determine who is the ruling class in society. But under Stalinism, the workers have no political power (or even political rights) of any kind, and *therefore* no economic power of any kind, and *therefore* they do not "determine the conditions of production," and *therefore* are no more the ruling class than were the slaves of Greek antiquity.

The "true religion" of the bourgeoisie is Bonapartism because, as Engels wrote about Bismarck, he carries out the will of the bourgeoisie against

its will. That, in two respects: in that it protects private property from the revolutionary class that imperils it; and in that it maintains private property as the basis of society. To *maintain* it is all that is *essential* (not ideally desirable in the abstract, but absolutely essential) to carrying out the will of the bourgeoisie, for the "coercive power" of competition and the "blindly-operating" market keep everything else running more or less automatically for bourgeois economy—running into the ground and out of it again, into the ground and out of it again, and so on.

But what sense is there to this proletariat, or Soviet or socialist Bonapartism? None and absolutely none. Against what revolutionary class that threatened its social power did the Russian proletariat have to yield political power to a Bonapartist gang? We know, not only from quotations out of Marx and Engels, but by rich and barbaric experiences in our own time, why and how the bourgeoisie has yielded political power in order to save its social power (which is, let us always bear in mind, its right to continue the exploitation of the proletariat). What "social power" was saved by (for) the Russian proletariat when it yielded political power to Stalinist "Bonapartism"? "Social power" means the power of a class over society. Under Stalinism, the working class has no such power, not a jot or tittle of it, and in any case far less than it has in almost every capitalist country of the world. And it cannot have any social power until it has in its hands the political power. Or is it perhaps that the Stalinist bureaucracy carries out the will of the proletariat against the will of the proletariat, that is, in the language of Deutscher, the Marxist-by-your-leave, tries "to establish socialism regardless

of the will of the working class"? It turns you sad and sick to think that such a point, in the year 1954, has to be discussed with a "Marxist," and such an urbane and ever-so-bloodlessly-objective Marxist at that. But we know our times, and know therefore that what Deutscher has the shamelessness to say with such above-the-common-herd candor is what has so long poisoned the minds of we-don't-know-how-many cynics, parasites, exploiters, slaveholders and lawyers for slaveholders in and around the working-class movement. So it must after all be dealt with, but briefly.

Bourgeois Bonapartism (the only Bonapartism that ever existed or ever can exist) *can* carry out the will of the ruling bourgeoisie against its will, and do it without consultation of any kind. The political ambitions, even the personal ambitions, the imperialist ambitions of the Bonapartist regime coincide completely with the self-expansion of capital, as Marx liked to call it; each sustains the other; in the course of it the will of the bourgeoisie, which is nothing more than the expansion of capital—the lifeblood of its existence and growth—is done. Even where the Bonaparte represents, originally, another class, as Bismarck represented the Prussian Junkers, the *economic* interests of that class, as it is by that time developing in the conditions of expanding capitalist production, are increasingly reconciled with the capitalist mode of production and exchange. (The same fundamental process takes place as noted by Marx in the English revolution, when the bourgeoisie unites with the landowners who no longer represented feudal land but bourgeois landed property.) But where the state owns the property, the "socialist" Bonaparte who has established a political regime of totalitarian terror has

completely deprived the so-called ruling class, the proletariat, of any means whereby its will can even be expressed, let alone asserted. Indeed, the totalitarian regime was established to suppress the will of the proletariat and to deprive it of *all* social power, political or economic. If Deutscher is trying to say—as Trotsky so often and so wrongly said—that by "preserving state property" the Stalinist Bonapartes are, in their own way, preserving the class rule or defending the class interests of the proletariat, as the bourgeois Bonapartes did for the bourgeoisie in preserving private property, this comparison is not better but worse than the others. By defending private property, the Bonaparte-Bismarck-Hitlers made it possible for the bourgeoisie to exploit the working class more freely, a favor for which the bourgeoisie paid off the regime as richly as it deserved. But by defending and indeed vastly expanding state property in Russia, the Stalinist bureaucracy acquires a political *and* economic power to subject the working class to a far more intensive exploitation and oppression than it ever before suffered. If it protects the country from the "foreign bourgeoisie" (as every qualified exploiting class does), it is solely because it does not intend to yield all or even part of its exclusive right to the exploitation of the Russian people. And finally, if Deutscher is trying to say that socialism has to be imposed upon the working class against its will, if need be, or even that socialism (a "brand of socialism") *can* be imposed upon the working class against its will, he is only emphasizing that he has drawn a cross over himself and over socialism too. You might as well try to make sense out of the statement that there are two brands of freedom, one in which you are free and the other in

which you are imprisoned. The proof of the pudding is before us. If a vast accumulation of factories were not merely a prerequisite for socialism (and that it is, certainly) but a "brand of socialism," then we had it under Hitler and we have it in the United States today. If the expansion of the productive forces were not merely a prerequisite for socialism (and that it is, without a doubt) but a "brand of socialism," then we had socialism under Hirohito, Hitler, Roosevelt and Adenauer.

UNDER CAPITALISM, the working class has been economically expropriated (it does not own the means with which it produces), but, generally, it is left some political rights and in some instances some political power. Under feudalism, the landed working classes were deprived of all political power and all political rights, but some of them at least retained the economic power that comes with the ownership or semi-ownership of little bits of land. It is only under conditions of ancient slavery and in more recent times of plantation slavery, that the slaves—the laboring class—were deprived of all economic power and all political power. Those who most closely represent that ancient class are the working classes under Stalinism. They are the modern slaves, deprived of any political power whatever and therefore of all economic power. If this is the product of a "brand of socialism," necessitated because the working class did not will socialism (why should it?), then the whole of Marxism, which stands or falls with the conception of the revolutionary self-emancipation of the proletariat, has been an illusion, at best, and a criminal lie at worst. But even that would not be as great an illusion and a lie as the claim that Stalinism will

yield its totalitarian power as the bureaucracy gradually comes to see that its benevolent despotism is no longer needed in the interests of social progress.

What Engels wrote to the German party leaders in September, 1879, in Marx's name and in his own, is worth recalling:

For almost forty years we have stressed the class struggle as the immediate driving force of history, and in particular the class struggle between the bourgeoisie and the proletariat as the great lever of the modern social revolution; it is therefore impossible for us to cooperate with people who wish to expunge this class struggle from the movement. When the International was formed we expressly formulated the battle-cry: the emancipation of the working class must be achieved by the working class itself. We cannot therefore cooperate with people who say that the workers are too uneducated to emancipate themselves and must first be freed from above by philanthropic bourgeois and petty bourgeois.

That remains our view, except that to "philanthropic bourgeois and petty bourgeois," we must now add: or by totalitarian despots who promise freedom as the indefinite culmination of the worst exploitation and human degradation known, with the possible exception of Hitler's horrors, in modern times. That view Deutscher has discarded. On what ground he continues to proclaim himself a Marxist passes understanding.

There remains Deutscher's justification of Stalinist "socialism" in the name of Russia's backwardness, and the responsibilities for Stalinism which he has ascribed to Lenin and Trotsky. It is one of the favorite themes of the apologists, but it has the right to be dealt with.

Max SHACHTMAN

THE NEW INTERNATIONAL

BOOKS IN REVIEW

Lobbyist for the People by Benjamin C. Marsh, Public Affairs Press, Washington D. C. 224 pages, \$3.00.

Ben Marsh's story of his fifty years as a lobbyist for various causes is a lively handbook of the populist movements of the last half century. Woven into the story is also a clear statement of the naive philosophy of social reformism which animated these movements by one of their most radical spokesmen who actually considered himself an irreconcilable opponent of the capitalist system itself.

Among the movements for which Marsh worked as lobbyist were La Follette's Farmer-Labor Party, the Farm Labor Union of the South, the Farmers National Council, the Anti-Monopoly League, the People's Reconstruction League, the People's Legislative Service, the Joint Committee on Unemployment (1931), and finally, for many years, the People's Lobby.

Throughout, he considered himself a revolutionary opponent of capitalism. Thus, he never became a supporter of the New Deal, which he regarded as a slick scheme to save the system. He was quite clear on the role of military expenditures as the only stable prop of capitalism since the Second World War. And as he had been looking at Washington from the "inside" for so many years, there was little room for illusion in his mind about the possibility of major social change via either of the two capitalist parties.

Yet Marsh never joined any of the socialist-or Stalinist movements throughout his life. He fought for one

reform after another and even as he wrote the book after his active life as a lobbyist was over, he never seemed to find anything contradictory or even incongruous about this type of political activity for a man who rejected the basic premises on which it had to be conducted.

As the years went by, Marsh records fewer and fewer legislative successes for the causes which he represented in the capital. Since the People's Lobby had a pacifistic slant on disarmament, it had really become out of step with the times. Marsh himself was sufficiently opposed to capitalism not to get sucked into the cold-war justification of anti-Stalinist witch-hunting, and at the same time, so fiercely devoted to human freedom that he could never get sucked into support of Stalinism. Thus he and his organization gradually drew farther and farther away from the mainstreams of American liberalism without being able to establish any social pace of its own. During its last years the People's Lobby was pretty much Ben Marsh with his penchant for grabbing a headline by a striking phrase before a Congressional Committee, and a handful of people who were willing to pay the cash to keep him and his little publication going.

Ben Marsh's life story pretty well depicts the battles of consistent liberalism during the first half of this century. But the times have become too complicated for liberalism to remain consistent, which is another way of saying that the system has now decayed so far beyond the possibility of reform that the would-be reformers have become infected and their prin-

ciples have begun to decay with it. Marsh was immune to such infection. But since he could not change his basically reformist viewpoint, he was

doomed to become no more than an uncomfortable reminder to them of what their ideals had been in the past.
By GKH

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